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

- Income over a short-term investment horizon
- Investment in arbitrage opportunities in the cash & derivatives segment of the equity market
- Low Risk (Blue)

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

Note: Risk may be represented as:

BLUE investors understand that their principal will be at low risk (YELLOW) investors understand that their principal will be at medium risk. (BROWN) investors understand that their principal will be at high risk.

Offer of Units of Rs. 10/- each during the New Fund Offer

New Fund Offer of:

DSP BlackRock Arbitrage Opportunities Fund Opens on: ____20XX Closes on: ____20XX

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

Name of Mutual Fund : DSP BlackRock Mutual Fund
Name of Asset Management Company : DSP BlackRock Investment Managers Private Limited
Name of Trustee Company : DSP BlackRock Trustee Company Private Limited
Addresses of the entities : Mafatlal Centre, 10th Floor, Nariman Point, Mumbai 400021
Website : www.dspblackrock.com

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

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

For details of DSP BlackRock Mutual Fund, tax and legal issues and general information investors are advised to refer to the Statement of Additional Information (SAI) available on www.dspblackrock.com.

SAI is incorporated by reference (is legally a part of the SID). For a free copy of the current SAI, please contact your nearest Investor Service Centre or log on to our website, www.dspblackrock.com.

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

This SID is dated ________________
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## SECTION I. HIGHLIGHTS/SUMMARY OF THE SCHEME

<table>
<thead>
<tr>
<th>Type of Scheme</th>
<th>An Open ended equity Scheme</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Investment Objective</strong></td>
<td>The investment objective of the Scheme is to generate income through arbitrage opportunities in cash and derivative market segment. However, there can be no assurance that the investment objective of the Scheme will be realized.</td>
</tr>
</tbody>
</table>
| **Plan Available under the Scheme** | • Regular Plan  
• Direct Plan |
| **Options (under both the plans)** | • Growth (Option A) *  
• Dividend (Option B)  
  ▪ Payout Dividend  
  ▪ Reinvest Dividend  
  * default Option |
| **Minimum Application Amount**  
(First purchase during New Fund Offer and continuous/ongoing Offer/For subsequent purchase) | Rs. 1,000/- and any amount thereafter. |
| **Minimum installment for Systematic Investment Plan (SIP)** | Rs. 500/- and any amount thereafter. |
| **Minimum installment for Systematic Withdrawal Plan (SWP)/STP**  
(Applicable only during continuous/ongoing offer) | Rs. 500/- and any amount thereafter. |
| **Loads** | Holding period from the date of allotment:  
<=30 calendar days - 0.50%  
> 30 calendar days - Nil  

**Note:** Switch of investment from the Regular Plan, where the transaction has been received with broker code to Direct Plan shall be subject to applicable exit load. In such cases, after the switch, in case of subsequent redemption or switch-out to another Scheme, no exit load would be levied.  
No exit load shall be levied:  
a. In case of switch of investment from Regular Plan, where transaction has been received without broker code to Direct Plan.  
b. In case of switch of investments from Direct Plan to Regular Plan. |
| **Liquidity** | The Mutual Fund will, not later than 5 Business Days from the date of allotment, commence redemption of Units of the Scheme, on an on-going basis. The Mutual Fund will endeavor to dispatch redemption proceeds within 3 Business Days from the date of acceptance of redemption request. |
| **Benchmark Index** | CRISIL Liquid Fund Index. |
Note: Switch facility and the facility of SWP & STP are currently not available for transactions carried out through the stock exchange mechanism.
SECTION II. DEFINITIONS

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Applicable NAV</td>
<td>The NAV applicable for purchase/redemption/switch in/switch out based on the time of the Business Day on which the subscription/redemption/switch request is accepted.</td>
</tr>
<tr>
<td>Application Supported by Blocked Amount (ASBA)</td>
<td>ASBA is an application containing an authorization to a Self Certified Syndicate Bank (SCSB) to block the application money in the bank account maintained with the SCSB, for subscribing to a New Fund Offer.</td>
</tr>
<tr>
<td>AMC or Investment Manager or DSPBRIM</td>
<td>DSP BlackRock Investment Managers Pvt. Ltd., the asset management company, set up under the Companies Act 1956, and authorized by SEBI to act as the asset management company to the schemes of DSP BlackRock Mutual Fund.</td>
</tr>
<tr>
<td>Beneficial owner</td>
<td>Beneficial Owner as defined in the Depositories Act, 1996 means a person whose name is recorded as such with a depository.</td>
</tr>
<tr>
<td>Business Day</td>
<td>A day other than: (1) Saturday and Sunday; (2) a day on which the National Stock Exchange is closed (3) a day on which the Sale and Redemption of Units is suspended The AMC reserves the right to declare any day as a non-business day at any of its locations at its sole discretion.</td>
</tr>
<tr>
<td>Continuous Offer/Ongoing Offer</td>
<td>Offer of Units when the Scheme becomes available for subscription, after the closure of the New Fund Offer.</td>
</tr>
<tr>
<td>Consolidated Account Statement</td>
<td>A statement containing details relating to all transactions made by an investor across all mutual funds viz. purchase, redemption, switch, dividend payout, dividend reinvestment, systematic investment plan, systematic withdrawal plan, systematic transfer plan, and bonus transactions with respect to the Units held in physical form.</td>
</tr>
<tr>
<td>Custodian</td>
<td>Citibank N. A., Mumbai branch, acting as custodian to the Schemes, or any other Custodian who is approved by the Trustee.</td>
</tr>
<tr>
<td>Clearcorp Repo Order Matching System (CROMS)</td>
<td>CROMS is an STP (Straight through Processing) enabled anonymous Order Matching Platform launched by Clearcorp Dealing Systems (India) Ltd for facilitating dealing in Market Repos in all kinds of Government Securities.</td>
</tr>
<tr>
<td>Date of Allotment</td>
<td>The date on which Units subscribed to during the New Fund Offer Period will be allotted.</td>
</tr>
<tr>
<td>DSPBRAOF</td>
<td>DSP BlackRock Arbitrage Opportunities Fund</td>
</tr>
<tr>
<td>Depository</td>
<td>National Securities Depository Ltd. (NSDL)/Central Depository Services (India) Limited (CDSL) or such other depository as approved by the Trustee, being a body corporate as defined in the Depositories Act, 1996.</td>
</tr>
<tr>
<td>Depository Participant/DP</td>
<td>Depository Participant (DP) is an agent of the Depository which acts like an intermediary between the Depository and the investors. DP is an entity which is registered with SEBI to offer depository-related services.</td>
</tr>
<tr>
<td>Direct Plan</td>
<td>Direct Plan is a separate plan for direct investments i.e. investments not routed through a distributor.</td>
</tr>
<tr>
<td>Entry Load</td>
<td>Load on purchase of Units</td>
</tr>
<tr>
<td>Exit Load</td>
<td>Load on redemption of Units</td>
</tr>
<tr>
<td>First time mutual fund investor</td>
<td>An investor who invests for the first time ever in any mutual fund either by way of subscription or systematic investment plan.</td>
</tr>
<tr>
<td>Fund/Mutual Fund</td>
<td>DSP BlackRock Mutual Fund, a trust set up under the provisions of the Indian Trust Act, 1882, and registered with SEBI vide Registration No. MF/036/97/7.</td>
</tr>
<tr>
<td>FII</td>
<td>Foreign Institutional Investor, registered with SEBI under the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995.</td>
</tr>
<tr>
<td><strong>FPI</strong></td>
<td>Foreign Portfolio Investor, registered with SEBI under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014 as amended from time to time</td>
</tr>
<tr>
<td><strong>NAV</strong></td>
<td>Net Asset Value of the Units of the Scheme (Plans and Options, if any, therein) calculated in the manner provided in this SID or as may be prescribed by the SEBI (MF) Regulations, from time to time.</td>
</tr>
<tr>
<td><strong>Non Business Day</strong></td>
<td>A day other than a Business Day.</td>
</tr>
<tr>
<td><strong>NRI</strong></td>
<td>Non Resident Indian.</td>
</tr>
<tr>
<td><strong>Offer Document</strong></td>
<td>This Scheme Information Document (SID) and the Statement of Additional Information (SAI) (collectively)</td>
</tr>
<tr>
<td><strong>PIO</strong></td>
<td>Person of Indian Origin.</td>
</tr>
<tr>
<td><strong>Registrar and Transfer Agent/RTA</strong></td>
<td>Computer Age Management Services Pvt. Ltd. (CAMS)</td>
</tr>
<tr>
<td><strong>Self Certified Syndicate Banks (SCSB)</strong></td>
<td>The list of banks that have been notified by SEBI to act as a SCSB for the ASBA process as provided on <a href="http://www.sebi.gov.in">www.sebi.gov.in</a>.</td>
</tr>
<tr>
<td><strong>Scheme Information Document/SID</strong></td>
<td>This document issued by DSP BlackRock Mutual Fund, offering Units of DSP BlackRock Arbitrage Opportunities Fund</td>
</tr>
<tr>
<td><strong>Statement of Additional Information/SAI</strong></td>
<td>A document containing details of the Mutual Fund, its constitution, and certain tax, legal and general information, and legally forming a part of the SID.</td>
</tr>
<tr>
<td><strong>Scheme</strong></td>
<td>DSP BlackRock Arbitrage Opportunities Fund</td>
</tr>
<tr>
<td><strong>SEBI</strong></td>
<td>Securities and Exchange Board of India, established under the Securities and Exchange Board of India Act, 1992.</td>
</tr>
<tr>
<td><strong>Sponsors</strong></td>
<td>DSP ADIKO Holdings Pvt. Ltd. &amp; DSP HMK Holdings Pvt. Ltd. (collectively) and BlackRock Inc.</td>
</tr>
<tr>
<td><strong>Stock Exchange/Exchange</strong></td>
<td>BSE, NSE or any other recognized stock exchange in India, as may be approved by the Trustee.</td>
</tr>
<tr>
<td><strong>Trustee</strong></td>
<td>DSP BlackRock Trustee Company Private Ltd., a company set up under the Companies Act, 1956 and approved by SEBI to act as the Trustee to the schemes of DSP BlackRock Mutual Fund.</td>
</tr>
<tr>
<td><strong>Unit</strong></td>
<td>The interest of an investor which consists of one undivided share in the Unit Capital of the relevant Option under the Scheme offered by this SID.</td>
</tr>
<tr>
<td><strong>Unit Holder/Investor</strong></td>
<td>A participant/holder of Units in the Scheme offered under this SID.</td>
</tr>
</tbody>
</table>
SECTION III - ABBREVIATIONS & INTERPRETATIONS

In this SID, the following abbreviations have been used:

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>AMC</td>
<td>Asset Management Company</td>
</tr>
<tr>
<td>AMFI</td>
<td>Association of Mutual Funds in India</td>
</tr>
<tr>
<td>AML</td>
<td>Anti-Money Laundering</td>
</tr>
<tr>
<td>ABS</td>
<td>Asset Backed Securities</td>
</tr>
<tr>
<td>ASBA</td>
<td>Application Supported by Blocked Amount</td>
</tr>
<tr>
<td>BSE</td>
<td>Bombay Stock Exchange</td>
</tr>
<tr>
<td>CAMS</td>
<td>Computer Age Management Services Private Limited</td>
</tr>
<tr>
<td>CAS</td>
<td>Consolidated Account Statement</td>
</tr>
<tr>
<td>CDSE</td>
<td>Central Depository Services (India) Limited</td>
</tr>
<tr>
<td>CBLO</td>
<td>Collateralised Borrowing and Lending Obligation</td>
</tr>
<tr>
<td>CROMS</td>
<td>Clearcorp Repo Order Matching System</td>
</tr>
<tr>
<td>DP</td>
<td>Depository Participant</td>
</tr>
<tr>
<td>DFI</td>
<td>Development Financial Institutions</td>
</tr>
<tr>
<td>ECS</td>
<td>Electronic Clearing System</td>
</tr>
<tr>
<td>EFT</td>
<td>Electronic Funds Transfer</td>
</tr>
<tr>
<td>FI</td>
<td>Foreign Institutional Investor</td>
</tr>
<tr>
<td>FRA</td>
<td>Forward Rate Agreement</td>
</tr>
<tr>
<td>FOF</td>
<td>Fund of Funds</td>
</tr>
<tr>
<td>HUF</td>
<td>Hindu Undivided Family</td>
</tr>
<tr>
<td>IMA</td>
<td>Investment Management Agreement</td>
</tr>
<tr>
<td>ISC</td>
<td>Investor Service Centre</td>
</tr>
<tr>
<td>KYC</td>
<td>Know Your Customer</td>
</tr>
<tr>
<td>LTV</td>
<td>Loan to Value Ratio</td>
</tr>
<tr>
<td>MBS</td>
<td>Mortgaged Backed Securities</td>
</tr>
<tr>
<td>NAV</td>
<td>Net Asset Value</td>
</tr>
<tr>
<td>NEFT</td>
<td>National Electronic Funds Transfer</td>
</tr>
<tr>
<td>NFO</td>
<td>New Fund Offer</td>
</tr>
<tr>
<td>NRI</td>
<td>Non-Resident Indian</td>
</tr>
<tr>
<td>NSDL</td>
<td>National Securities Depository Limited</td>
</tr>
<tr>
<td>NSE</td>
<td>National Stock Exchange of India</td>
</tr>
<tr>
<td>OTC</td>
<td>Over the Counter</td>
</tr>
<tr>
<td>PIO</td>
<td>Person of Indian Origin</td>
</tr>
<tr>
<td>PMLA</td>
<td>Prevention of Money Laundering Act, 2002</td>
</tr>
<tr>
<td>REPO</td>
<td>Repurchase agreements</td>
</tr>
<tr>
<td>RTGS</td>
<td>Real Time Gross Settlement</td>
</tr>
<tr>
<td>SEBI</td>
<td>Securities and Exchange Board of India established under the SEBI Act, 1992</td>
</tr>
<tr>
<td>SI</td>
<td>Standing Instructions</td>
</tr>
<tr>
<td>STT</td>
<td>Securities Transaction Tax</td>
</tr>
<tr>
<td>SCSB</td>
<td>Self Certified Syndicate Bank</td>
</tr>
</tbody>
</table>

INTERPRETATION

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

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

A. RISK FACTORS

Standard Risk Factors:

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

Additional Risk Factors for Foreign Investors:

I. Political Risk
Investments in mutual fund Units in India may be materially adversely impacted by Indian politics and changes in the political scenario in India either at the central, state or local level. Actions of the central government or respective state governments in the future could have a significant effect on the Indian economy, which could affect companies, general business and market conditions, prices and yields of securities in which the Scheme invest.

The occurrence of selective unrest or external tensions could adversely affect the political and economic stability of India and consequently have an impact on the securities in which the Scheme invests. Delays or changes in the development of conducive policy frameworks could also have an impact on the securities in which the Scheme invests.

II. Economic Risk
A slowdown in economic growth or macro-economic imbalances such as the increase in central and state level fiscal deficits may adversely affect investments in the country. The underlying growth in the economy is expected to have a direct impact on the volume of new investments in the country.

III. Foreign Currency Risk
The Scheme is denominated in Indian Rupees (INR) which is different from the home currency for Foreign Investors in the mutual fund Units. The INR value of investments when translated into home currency by Foreign Investors could be lower because of the currency movements. The AMC does not manage currency risk for foreign investors and it is the sole responsibility of the Foreign Investors to manage or reduce currency risk on their own. The Sponsor/Fund/Trustees/AMC are not liable for any loss to Foreign Investors arising from such changes in exchange rates.

IV. Convertibility and Transferability Risk
In the event capital and exchange controls are imposed by the government authorities, it would prevent Foreign Investors’ ability to convert INR into home currency and/or transfer funds outside India. The convertibility and transferability of INR proceeds into home currency is the responsibility of the Foreign Investors.
Scheme Specific Risk Factors

Risks associated with the Scheme’s Arbitrage Strategy

The Scheme proposes to invest in equity and equity related instruments by identifying and exploiting price discrepancies in cash and derivative segments of the market. These investments by nature are volatile as the prices of the underlying securities are affected by various factors such as liquidity, time to settlement date, news flow, spreads between cash and derivatives market at different points of time, trading volumes, etc.

- There is no guarantee that the Fund Manager will be able to spot investment opportunities or correctly exploit price discrepancies in the different segments of the market.
- The risk of mispricing or improper valuation and the inability of derivatives to correlate perfectly with underlying assets, rates and indices.
- The Scheme is also expected to have a high portfolio churn, especially in a volatile market. There is an execution risk while implementing arbitrage strategies across various segments of the market, which may result in missed investment opportunities, or may also result in losses/high transaction costs.
- In case of a large outflow from the Scheme, the Scheme may need to reverse the spot-futures transaction before the settlement of the futures trade. While reversing the spot-futures transaction on the Futures and Options settlement day on the exchange, there could be a risk of volume-weighted-average-price of the market being different from the price at which the actual reversal is processed resulting in basis risk.
- While future market are typically more liquid than underlying cash market, there can be no assurance that ready liquidity would exists at all point in time for the Scheme to purchase and close out a specific futures contract.
- In case of arbitrage, if futures are allowed to expire with corresponding buy/sell in cash market, there is a risk that price at which futures expires, may/may not match with the actual cost at which it is bought/sold in the cash market in last half an hour of the expiry day (Weighted average price for buy or sell).

Risks associated with Investment in Equities and Equity related Instruments

The following risks are applicable to the extent of Scheme’s investment in Equity and Equity related instruments:

Equity and Equity related instruments are volatile and prone to price fluctuations on daily basis. The volatility in the value of the equity and equity related instruments is due to various micro and macro economic factors affecting the securities markets. This may have adverse impact on individual securities /sector and consequently on the NAV of Scheme.

The inability of the Scheme to make intended securities purchases due to settlement problems could cause the Scheme to miss certain investment opportunities as in certain cases, settlement periods may be extended significantly by unforeseen circumstances.

Similarly, the inability to sell securities held in the schemes portfolio may result, at times, in potential losses to the Scheme, should there be a subsequent decline in the value of the securities held in the schemes portfolio.

Trading volumes, settlement periods and transfer procedures may restrict the liquidity of the investments. This may impact the ability of the unit holders to redeem their units. In view of this, the Trustee has the right, in its sole discretion to limit redemptions (including suspending redemptions) under certain circumstances.

The AMC may invest in unlisted securities that offer attractive yields within the regulatory limit. This may however increase the risk of the portfolio as these unlisted securities are inherently illiquid in nature and carry larger liquidity risk as compared to the listed securities or those that offer other exit options to the investors.
Investments in equity and equity related securities involve high degree of risks and investors should not invest in the Scheme unless they can afford to take the risk of losing their investment.

**Risks Associated With Investment in Debt Securities and Money Market Instruments**

The following risks are applicable to the extent of Scheme's investment in debt securities money market instruments:

**I. Credit Risk & Market Risk**

Fixed income securities (government, debt and money market securities) are subject to the risk of an issuer’s inability to meet interest and principal payments on its debt obligations. The Investment Manager will endeavour to manage credit risk through in-house credit analysis. Different types of securities in which the Schemes would invest as given in the SID carry different levels of credit risk. Accordingly the Schemes’ risk may increase or decrease depending upon their investment patterns. E.g. corporate bonds carry a higher amount of risk than Government securities. Further, even among corporate bonds, bonds which are rated AAA are comparatively less risky than bonds which are AA rated.

**II. Term Structure of Interest Rates (TSIR) Risk**

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

**III. 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.

**IV. Re-investment Risk**

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

**V. Risk from zero coupon securities**

As zero coupon securities do not provide periodic interest payments to the holder of the security, these securities are more sensitive to changes in interest rates. Therefore, the interest rate risk of zero coupon securities is higher. The AMC may choose to invest in zero coupon securities that offer attractive yields. This may increase the risk of the portfolio.

**Market Liquidity Risk**

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

**Liquidity Risk on account of unlisted securities**

The liquidity and valuation of the Scheme’s investments due to their holdings of unlisted securities may be affected if they have to be sold prior to their target date of divestment.

**Tax Exemption Risk**

In the event that investible funds of more than 65% of the total proceeds in Scheme is not invested in the equity shares of domestic companies, the tax exemption, if any, on capital gains and income distribution will not be available to the Unit Holders.

**Risk associated with Stock Lending**

The Scheme shall not engage in stock lending.

**Risks Associated With Transaction in Units Through Stock Exchange Mechanism**

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

**Risks Associated With Trading In Derivatives**

Derivatives require the maintenance of adequate controls to monitor the transactions and the embedded market risks that a derivative adds to the portfolio. Besides the price of the underlying asset, the volatility, tenor and interest rates affect the pricing of derivatives.

Trading in derivatives carries a high degree of risk although they are traded at a relatively small amount of margin which provides the possibility of great profit or loss in comparison with the principal investment amount. Thus, derivatives are highly leveraged instruments. Even a small price movement in the underlying security could have an impact on their value and consequently, on the NAV of the Units of the Scheme.

Other risks in using derivatives include but are not limited to:

a) **Counterparty Risk** - this occurs when a counterparty fails to abide by its contractual obligations and therefore, the Schemes are compelled to negotiate with another counter party, at the then prevailing (possibly unfavourable) market price. For exchange traded derivatives, the risk is mitigated as the exchange provides the guaranteed settlement but one takes the performance risk on the exchange.

b) **Market Liquidity risk** where the derivatives cannot be transacted at prices that reflect the underlying assets, rates and indices.

c) **Model Risk**, the risk of mis-pricing or improper valuation of derivatives.

d) **Basis Risk** arises when the instrument used as a hedge does not match the movement in the instrument/ underlying asset being hedged.

The risks may be inter-related also; for e.g. interest rate movements can affect equity prices, which could influence specific issuer/industry assets. 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 to identify such opportunities. Identification and execution of the strategies to be pursued by the investment manager involve uncertainty and decision of investment manager may not always be profitable. No assurance can be given that the investment manager will be able to identify or execute such strategies.
Derivative trades involve execution risks, whereby the rates seen on the screen may not be the rate at which ultimate execution takes place.

- The option buyer’s risk is limited to the premium paid, while the risk of an option writer is unlimited. However, the gains of an option writer are limited to the premiums earned.
- The writer of a put option bears the risk of loss if the value of the underlying asset declines below the exercise price. The writer of a call option bears a risk of loss if the value of the underlying asset increases above the exercise price.
- Investments in index futures face the same risk as the investments in a portfolio of shares representing an index. The extent of loss is the same as in the underlying stocks.
- Risk of loss in trading in futures contracts can be substantial, because of the low margin deposits required, the extremely high degree of leverage involved in futures pricing and potential high volatility of the futures markets.

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.

B. RISK MANAGEMENT STRATEGIES

I. Risks associated with Scheme’s Arbitrage strategy
   - Liquidity Risk: However the Scheme will aim at taking exposure only into liquid stocks/derivatives where there will be minimal risk to square off the transaction. The Scheme will ensure this by analyzing historical data of volume and open interest.
   - Market Risk: The Scheme will endeavour to cover or square off the positions as soon as possible and maintain a net market neutral position.
   - Opportunities Risk: In absence of profitable arbitrage opportunities available in the market, the Scheme may predominantly invest in cash, short term debt and money market securities.

II. Market Liquidity Risk for Equity and Fixed Income securities
    The liquidity risk will be managed and/or sought to be addressed predominantly by investing predominantly in a portfolio of securities which have high secondary market liquidity.

III. Credit Risk
    Credit Risk associated with Fixed Income securities will be managed by making investments in securities issued by borrowers, which have a very good credit profile. The Risk and Quantitative Analysis (RQA) team assigns limits for each of the issuer (other than government of India); these limits are for the amount as well as maximum permissible tenor for each issuer. The credit process ensures that issuer level review is done at inception as well as periodically by taking into consideration the balance sheet and operating strength of the issuer.

IV. Term Structure of Interest Rates (TSIR) Risk
    The Investment Manager will endeavour to actively manage the duration based on the ensuing market conditions.

V. Rating Migration Risk
    As the endeavour is to invest in high grade/quality securities, which are preferably rated AA or equivalent by rating agencies, the probability of rating downgrade is low. The due diligence performed by the RQA team before assigning credit limits should mitigate company-specific issues. The RQA team also monitors these limits after they have been assigned, on an ongoing basis.

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

VII. Risk associated with Derivatives
    The credit risk associated with equity derivatives is defeased as only exchange traded equity derivatives are permitted.
For performance, portfolio and regulatory limits for derivatives, there is an established daily monitoring process undertaken by the RQA team. As limits could be breached because of changes in the open interest, which is a function of marketwide activity and not specific to the Scheme and are not in control, there are hard and soft limits. Any breach beyond the soft limit is immediately rectified and brought within the limit specified.

C. REQUIREMENT OF MINIMUM INVESTORS IN THE SCHEME

The Scheme/Plan shall have a minimum of 20 investors and no single investor shall account for more than 25% of the corpus of the Scheme/Plan(s). However, if such limit is breached during the NFO of the Scheme, the Mutual Fund will endeavor to ensure that within a period of three months or the end of the succeeding calendar quarter from the close of the NFO of the Scheme, whichever is earlier, the Scheme complies with these two conditions. In case the Scheme/Plan(s) does not have a minimum of 20 investors in the stipulated period, the provisions of Regulation 39(2)(c) of the SEBI (MF) Regulations would become applicable automatically without any reference from SEBI and accordingly the Scheme/Plan(s) shall be wound up and the units would be redeemed at applicable NAV. The two conditions mentioned above shall also be complied within each subsequent calendar quarter thereafter, on an average basis, as specified by SEBI. If there is a breach of the 25% limit by any investor over the quarter, a rebalancing period of one month would be allowed and thereafter the investor who is in breach of the rule shall be given 15 days notice to redeem his exposure over the 25% limit. Failure on the part of the said investor to redeem his exposure over the 25% limit within the aforesaid 15 days would lead to automatic redemption by the Mutual Fund on the applicable Net Asset Value on the 15th day of the notice period.

D. SPECIAL CONSIDERATIONS

- Neither the SID and SAI, nor the Units have been registered in any jurisdiction. The distribution of this SID in certain jurisdictions may be restricted or subject to registration requirements and, accordingly, persons who come into possession of this SID and the SAI in such jurisdictions are required to inform themselves about, and to observe, any such restrictions. No person receiving a copy of this SID or any accompanying application form in such jurisdiction may treat this SID or such application form as constituting an invitation to them to subscribe for Units, nor should they in any event use any such application form, unless in the relevant jurisdiction such an invitation could lawfully be made to them and such application form could lawfully be used without compliance of any registration or other legal requirements.

- Investment decisions made by the Investment Manager may not always be profitable.

- The AMC offers non-binding investment advisory services to BlackRock India Equities Fund (Mauritius) Limited and BlackRock Asset Management North Asia Limited for investment in Indian securities in terms of approval granted by SEBI. The AMC also offers investment advisory services to DSP BlackRock Investment Managers (Mauritius) Limited, a wholly owned subsidiary of the AMC, which is an asset management company to an offshore fund based in Mauritius. The AMC also serves as Sponsor to DSP BlackRock Pension Fund Managers Private Limited (DSPBPRPFMC) as per Pension Fund Regulatory & Development Authority of India (PFRDA) (Registration of Pension Funds for Private Sector) Guidelines 2012. The AMC shall, in accordance with SEBI approval, act as Investment Managers to DSP BlackRock Alternative Investment Fund Category III (DSPBRAIF - C - III) (SEBI registration no. IN/AIF3/13-14/0059). Further, DSP BlackRock Trustee Company Private Ltd., act as Trustees to the DSPBRAIF - C - III. The AMC has systems in place to ensure that there is no conflict of interest between the aforesaid activities.

- The Mutual Fund/AMC has not authorized any person to give any information or make any representations, either oral or written, not stated in this SID in connection with issue of Units under the Scheme. Prospective investors are advised not to rely upon any information or representations not incorporated in this SID as the same have not been authorized by the Mutual Fund or the AMC. Any subscription, purchase or sale made by any person on the basis of statements or representations which are not contained in this SID or which are inconsistent with the information contained herein shall be solely at the risk of the investor.

- Suspicious Transaction Reporting: If after due diligence, the AMC believes that any transaction is
suspicious in nature as regards money laundering, the AMC shall report any such suspicious transactions to competent authorities under PMLA and rules/guidelines issued thereunder by SEBI and/or RBI, furnish any such information in connection therewith to such authorities and take any other actions as may be required for the purposes of fulfilling its obligations under PMLA and rules/guidelines issued thereunder by SEBI and/or RBI without obtaining the prior approval of the investor/Unit Holder/any other person.

- The AMC and its Registrar reserve the right to disclose/share investors’ personal information with the following third parties:
  1. Registrar, Banks and / or authorised external third parties who are involved in transaction processing, dispatches, etc., of investors’ investment in the Scheme;
  2. Distributors or Sub-brokers through whom applications of investors are received for the Scheme; or;
  3. Any other organisations for compliance with any legal or regulatory requirements or to verify the identity of investors for complying with anti-money laundering requirements.

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

- Non-Individual Investors should note the following:
  1. A list of specimen signatures of the authorized officials, duly certified / attested should also be attached to the Application Form.
  2. In case of application for any transaction, the authorized signatories/officials should sign such application under their official designation and as per the authority granted to them under their constitutional documents/board resolutions etc.
  3. In case a generic board resolution authoring investment has been submitted, the AMC/Fund reserves the right to consider such generic resolution as a valid authorisation for all other financial and non-financial transactions including but not limited to redemption/switches etc. Accordingly all transactions executed by the officials named in such generic resolution would be processed by the AMC/Fund.

- The tax benefits described in this Scheme Information Document and Statement of Additional Information are as available under the present taxation laws and are available subject to relevant conditions. The information given is included only for general purpose and is based on advise received by the AMC regarding the law and practice currently in force in India and the Unit holders should be aware that the relevant fiscal rules or their interpretation may change. As is the case with any investment, there can be no guarantee that the tax position or the proposed tax position prevailing at the time of an investment in the Scheme will endure indefinitely. In view of the individual nature of tax consequences, each Unit holder is advised to consult his/her own professional tax advisor.

- Investors should study this Scheme Information Document and the Statement of Additional Information carefully in its entirety and should not construe the contents as advise relating to legal, taxation, investment or any other matters. Investors are advised to consult their legal, tax, investment and other professional advisors to determine possible legal, tax, financial or other considerations of subscribing to or redeeming units, before making a decision to invest / redeem Units.

- Any dispute arising out of the Scheme(s) shall be subject to the exclusive jurisdiction of the Courts in India. Statements in this Scheme Information Document are, except where otherwise stated, based on the law, practice currently in force in India, and are subject to changes therein.

- The Mutual Fund may disclose details of the investor’s account and transactions there under to those intermediaries whose stamp appears on the application form. In addition, the Mutual Fund may disclose such details to the bankers / its agents, as may be necessary for the purpose of effecting payments to the investor. Further, the Mutual Fund may disclose details of the investor’s account and transactions thereunder to any Regulatory/Statutory entities as per the provisions of law.
Investors are urged to study the terms of the offer carefully before investing in the Scheme and retain this SID and the SAI for future reference.

E. DUE DILIGENCE BY THE AMC

It is confirmed that:

(i) The draft SID forwarded to SEBI is in accordance with the SEBI (MF) Regulations, and the guidelines and directives issued by SEBI from time to time.

(ii) All legal requirements connected with the launching of the Scheme as also the guidelines, instructions, etc., issued by the Government and any other competent authority in this behalf, have been duly complied with.

(iii) The disclosures made in the SID are true, fair and adequate to enable the investors to make a well informed decision regarding investment in the proposed Scheme.

(iv) The intermediaries named in the SID and SAI are registered with SEBI and their registration is valid, as on date.

Place: Mumbai Signed: Sd/-
Date: September 15, 2014 Name: Pritesh Majmudar (Dr.)
Compliance Officer
SECTION V - INFORMATION ABOUT THE SCHEME

A. TYPE OF THE SCHEME

An Open ended Equity Scheme

B. WHAT IS THE INVESTMENT OBJECTIVE OF THE SCHEME?

The investment objective of the Scheme is to generate income through arbitrage opportunities in cash and derivative market segment. However, there can be no assurance that the investment objective of the Scheme will be realized.

C. HOW WILL THE SCHEME ALLOCATE ITS ASSETS?

The Scheme will aim to have a fully hedged portfolio to meet its Investment Objective.

Under normal circumstances, when arbitrage opportunities are available and accessible in the cash and derivative market segment, the asset allocation of the Scheme will be as follows:

<table>
<thead>
<tr>
<th>Instruments</th>
<th>Indicative allocations (% of total assets)</th>
<th>Risk Profile</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity &amp; Equity related instruments</td>
<td>65% - 100%</td>
<td>High</td>
</tr>
<tr>
<td>Equity Derivatives including Index Futures, Stock Futures, Stock Options, Index Options etc.#</td>
<td>65% - 100%</td>
<td>High</td>
</tr>
<tr>
<td>Debt and Money market instruments</td>
<td>0% - 35%</td>
<td>Low to Medium</td>
</tr>
</tbody>
</table>

# The exposure to derivative shown in the above asset allocation table is exposure taken against the underlying equity investments and should not be considered for calculating the total asset allocation. The idea is not to take additional asset allocation with the use of derivative. The margin money deployed on these positions would be included in Money Market category.

In the event of adequate arbitrage opportunities not being available in the equity and derivative markets, then the remaining portfolio (to the extent not deployed in arbitrage opportunities in the asset allocation pattern mentioned above) will be invested in debt and money market instruments.

The Scheme retains the flexibility to invest across all the securities in the debt and money markets as permitted by SEBI / RBI from time to time, including schemes of mutual funds.


The cumulative gross exposure through equity, debt, money market instruments and derivative positions shall not exceed 100% of the net assets of the Scheme. The Scheme will not have a leveraged position in derivatives. The Scheme will not invest in securitized debt and foreign securities. The Scheme will not participate in Repo in corporate debt securities and Credit Default Swap. The Scheme will not engage in short selling of securities and securities lending and borrowing. The Scheme will not invest in equity linked debentures.

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

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 each Scheme.
3. Each Scheme shall not park more than 15% of its net assets in the short term deposit(s) of all the scheduled commercial banks put together. However, it may be raised to 20% with the prior approval of the Trustee. Also, parking of funds in short term deposits of associate and sponsor
scheduled commercial banks together shall not exceed 20% of total deployment by the Mutual Fund in short term deposits.
4. Each Scheme shall not park more than 10% of its net assets in short term deposit(s) with any one scheduled commercial bank including its subsidiaries.
5. The Trustee shall ensure that the funds of each Scheme are not parked in the short term deposits of a bank which has invested in that Scheme.
6. 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.

In the event of any deviation below the minimum limits or beyond the maximum limits, the Investment Manager will rebalance the portfolio within 30 days from such deviation. Such changes in the investment pattern will be for short term and defensive considerations and the intention being all times to seek to protect the interest of the unitholder. 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.

D. WHERE WILL THE SCHEME INVEST?

Subject to the Regulations and the disclosures as made under the section “How the Scheme will allocate its Assets”, the corpus of the Scheme can be invested in any (but not exclusively) of the following securities:

1. Equity and equity related securities
2. Exchange Traded Derivatives like Options and futures with equity indices or stocks as underlying
3. Securities created and issued by the Central and State Governments and/or repos/reverse repos in such Government Securities as may be permitted by RBI (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills);
4. Securities guaranteed by the Central and State Governments (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills);
5. Fixed Income Securities of domestic Government agencies and statutory bodies, which may or may not carry a Central/State Government guarantee;
6. Corporate debt securities/instruments (of both public and private sector undertakings);
7. Obligations/Term Deposits of banks (both public and private sector) and development financial institutions/ Bank Fixed Deposits as permitted by SEBI;
8. Money market instruments including but not limited to, treasury bills, commercial paper of public sector undertakings and private sector corporate entities, REPO, CBLOs, CROMS, certificates of deposit of scheduled commercial banks and development financial institutions, BRDS issued by public sector, private sector and foreign banks, government securities with residual maturity of one year or less and other money market securities as may be permitted by SEBI/RBI Regulations.
9. Bills of Exchange / Promissory Notes;
10. The non-convertible part of convertible securities
11. Any other domestic fixed income securities as permitted by SEBI/ RBI from time to time.
12. Any other debt instruments, as may be permitted by RBI / SEBI / such other Regulatory Authority, from time to time.

The securities mentioned above could be listed, unlisted, privately placed, secured, unsecured, rated or unrated (subject to the rating or equivalency requirements discussed above) and of any maturity. The securities maybe acquired through Initial Public Offerings (IPOs), secondary market operations, private placements, rights offers or through negotiated deals.

The Scheme may invest in other Scheme managed by the AMC or in the Scheme of any other Mutual Fund(s), provided such investment is in conformity to the investment objectives of the Scheme and in terms of the prevailing Regulations. As per the Regulations, no investment management fees will be charged for such investments and the aggregate inter-scheme investment made by all Schemes of the Mutual Fund or in the Scheme under the management of
other asset management companies shall not exceed 5% of the net asset value of the Mutual Fund.

**Overview of Debt Market in India**

The Indian bond market comprises mainly of Government securities; bonds issued by Public Sector Undertakings (PSU), Development Financial Institutions (DFI) and Infrastructure-related agencies; debentures and money market instruments issued by corporate sectors and banks. The Government of India routinely issues Government securities and Treasury bills for liquidity and fiscal management. While the Government issues Treasury bills for 91 days, 182 days and 364 days in a discounted form, coupon-bearing Government securities are issued for maturity ranging from 1 year to as high as 30 years. Both Treasury bills and coupon-bearing securities are auctioned by the RBI on behalf of the Government of India. The Indian bond market has also witnessed increased issuance of bonds from Government-sponsored institutions, DFIs, and infrastructure-related agencies since 1995. These bonds are rated by credit rating agencies like CRISIL, ICRA, CARE and India Ratings. They are widely held by market participants because of their liquidity and reduced risk perception due to the government stake in some of them.

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

**Overview of Money Market in India**

Money market assets comprise Treasury Bills, Cash Management Bills, Call Money, Collateralized Borrowing and Lending Obligations (CBLO), Repo, Clearcorp Repo Order Matching System (CROMS), fixed deposits, Commercial Papers, Certificate of Deposits, BRDS and any other assets approved by the Reserve Bank of India from time to time. Money market assets are liquid and actively traded segment of fixed income markets.

**E. WHAT ARE THE INVESTMENT STRATEGIES?**

The primary objective of the Scheme is to invest in arbitrage opportunities between spot and futures prices of exchange traded equities and the arbitrage opportunities available within the derivative segment. If suitable arbitrage opportunities are not available in the opinion of the Investment manager, the Scheme may invest in debt and money market securities.

The market provides opportunities to the investor to derive returns from the implied cost of carry between the underlying cash market and the derivatives market. This provides for opportunities to generate returns that are possibly higher than short term interest rates with minimal active price risk on equities. Implied cost of carry and spreads across the spot, futures and options markets can potentially lead to profitable arbitrage opportunities. The Scheme would carry out arbitrage strategies, which would entail taking offsetting positions in the various markets simultaneously. The arbitrage strategy can also be on account of buy-back of shares announced by a company and/or differences in prices between two exchanges/markets. In this case the arbitrage strategy will not include an offsetting derivatives transaction.

The Investment Manager will use a disciplined quantitative analysis while accessing arbitrage opportunities. The Investment Manager will have an effective risk monitoring and control process to ensure adherence to regulatory guidelines and limits.

As arbitrage opportunities are dependent on ensuing market conditions, there will be a part of the portfolio, which will be invested in debt securities and money market securities. This component of the portfolio will provide the necessary liquidity to meet redemption needs and other liquidity requirements of the Scheme.

The arbitrage strategies the Fund may adopt could be as under. The list is not exhaustive and the Fund could use similar strategies and any other strategies as available in the markets.
(a) Index/ Stock spot - Index/ Stock Futures:

This strategy is employed when the price of the future is trading at a premium to the price of its underlying in spot market. The Scheme shall buy the stock in spot market and endeavor to simultaneously sell the future at a premium on a quantity neutral basis.

Buying the stock in spot market and selling the futures results into a hedge where the Scheme has locked in a spread and is not affected by the price movement of cash market and futures market. The arbitrage position can be continued till expiry of the future contracts. The future contracts are settled based on the last half an hour’s weighted average trade of the spot market. Thus there is a convergence between the spot price and the futures market on expiry. This convergence helps the Scheme to generate the arbitrage return locked in earlier.

On or before the date of expiry, if the price differential between the spot and futures position of the subsequent month maturity still remains attractive, the Scheme may rollover the futures position and hold onto the position in the spot market. In case such an opportunity is not available, the Scheme would liquidate the spot position and settle the futures position simultaneously.

Rolling over of the futures transaction means unwinding the short position in the futures of the current month and simultaneously shorting futures of the subsequent month maturity, and holding onto the spot position.

(b) Index Arbitrage:

The S&P CNX Nifty derives its value from fifty constituent stocks; the constituent stocks (in their respective weights) can be used to create a synthetic index matching the Nifty Index. Also, theoretically, the fair value of a future is equal to the spot price plus the cost of carry. Theoretically, therefore, the pricing of Nifty Index futures should be equal to the pricing of the synthetic index created by futures on the underlying stocks.

Due to market imperfections, the index futures may not exactly correspond to the synthetic index futures. The Nifty Index futures normally trades at a discount to the synthetic Index due to large volumes of stock hedging being done using the Nifty Index futures giving rise to arbitrage opportunities.

One instance in which an index arbitrage opportunity exists is when Index future is trading at a discount to the index (spot) and the futures of the constituent stocks are trading at a cumulative premium.

The investment manager shall endeavour to capture such arbitrage opportunities by taking long positions in the Nifty Index futures and short positions in the synthetic index (constituent stock futures).

Based on the opportunity, the reverse position can also be initiated.

(c) Corporate Action / Event Driven Strategies:

The Scheme will also invest in arbitrage opportunities arising out of corporate actions (e.g. - mergers, FPO, delisting, open offers, etc). These are just a few examples of arbitrage opportunities arising out of corporate actions. This is not an exhaustive list as every corporate action could offer a different and unique opportunity.

I. Dividend Arbitrage

- At the time of declaration of dividend, the stock futures / options market can provide a profitable opportunity. Generally, the stock prices decline by the dividend amount when the stock becomes ex-dividend.

II. Buy-Back/ Open Offer Arbitrage
When the Company announces the buy-back or open offer of its own shares, there could be opportunities due to price differential in buyback price and traded price.

III. Merger

When the Company announces any merger, amalgamation, hive off, de-merger, etc, there could be opportunities due to price differential in the cash and the derivative market.

(d) Portfolio Hedging:

This strategy will be adopted:

(i) If in an already invested portfolio of a Scheme, the Investment manager is expecting a market correction, the Investment manager may sell Index Futures to insulate the portfolio from the market related risks.

(ii) If there are significant inflows to the Scheme and the market expectations are bullish, the Investment manager may buy Index Futures to continue participation in the equity markets. This strategy is used to reduce the time to achieve the desired invested levels.

Portfolio Turnover

Portfolio turnover is defined as the aggregate value of purchases or sales as a percentage of the corpus of a Scheme during a specified period of time. This will exclude purchases and sales of money market securities. The Scheme is open ended, with subscriptions and redemptions expected on a daily basis, resulting in net inflow/outflow of funds, and on account of the various factors that affect portfolio turnover; it is difficult to give an estimate, with any reasonable amount of accuracy.

Therefore, the Scheme has no specific target relating to portfolio turnover.

Trading in Derivatives

The Mutual Fund may use various derivatives and hedging products/techniques, in order to seek to generate better returns for the Scheme. Derivatives are financial contracts of pre-determined fixed duration, whose values are derived from the value of an underlying primary financial instrument, commodity or index.

- Advantages of Trading in Derivatives

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

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

1. Futures

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

Currently, futures contracts have a maximum expiration cycle of 3 months. Three contracts are available for trading, with 1 month, 2 months and 3 months expiry respectively. A new contract is introduced on the next trading day following the expiry of the relevant monthly contract. Futures contracts typically expire on the last Thursday of the month. For example a contract with the September 2014 expiration expires on the last Thursday of September 2014 (September 25, 2014).
Basic Structure of an Index Future
The Stock Index futures are instruments designed to give exposure to the equity markets indices. The Stock Exchange, Mumbai (BSE) and The National Stock Exchange (NSE) have trading in index futures of 1, 2 and 3 month maturities. The pricing of an index future is the function of the underlying index and short-term interest rates. Index futures are cash settled, there is no delivery of the underlying stocks.

Example using hypothetical figures:
1 month S&P CNX Nifty Future
If the Scheme buys 2,000 futures contracts, each contract value is 50 times the futures index price.
Purchase Date : September 02, 2014
Spot Index : 8100.00
Future Price : 8200.00
Date of Expiry : September 25, 2014
Margin : 10%
Assuming the exchange imposes a total margin of 10%, the Investment Manager will be required to provide a total margin of approx. Rs. 82,000,000 (i.e. 10% * 8200 * 2000 * 50) through eligible securities and cash.
Assuming on the date of expiry, i.e. September 25, 2014, S&P CNX Nifty Index closes at 8225, the net impact will be a profit of Rs. 2,500,000 for the Scheme, i.e. (8225-8200) * 2000 * 50 (Futures price = Closing spot price = Rs. 8225.00)
Profits for the Scheme = (8225-8200) * 2000 * 500 = Rs. 2,500,000.
Please note that the above example is given for illustration purposes only. Some assumptions have been made for the sake of simplicity.
The net impact for the Scheme will be in terms of the difference of the closing price of the index and cost price. Thus, it is clear from the above example that the profit or loss for the Scheme will be the difference between the closing price (which can be higher or lower than the purchase price) and the purchase price. The risks associated with index futures are similar to those associated with equity investments. Additional risks could be on account of illiquidity and potential mis-pricing of the futures.

Basic Structure of a Stock Future
A futures contract on a stock gives its owner the right and obligation to buy or sell stocks. Single Stock Futures traded on NSE (National Stock Exchange) are cash settled; there is no delivery of the underlying stocks on the expiration date. A purchase or sale of futures on a security gives the trader essentially the same price exposure as a purchase or sale of the security itself. In this regard, trading stock futures is no different from trading the security itself.
Example using hypothetical figures:
The Scheme holds shares of XYZ Ltd., the current price of which is Rs. 500 per share. The Scheme sells one month futures on the shares of XYZ Ltd. at the rate of Rs. 540.
If the price of the stock falls, the Mutual Fund will suffer losses on the stock position held. However, in such a scenario, there will be a profit on the short futures position.
At the end of the period, the price of the stock falls to Rs. 450 and this fall in the price of the stock results in a fall in the price of futures to Rs. 470. There will be a loss of Rs. 50 per share (Rs. 500 - Rs. 450) on the holding of the stock, which will be offset by the profits of Rs. 70 (Rs. 540 - Rs. 470) made on the short futures position.
Please note that the above example is given for illustration purposes only. Some assumptions have been made for the sake of simplicity. Certain factors like margins and other related costs have been ignored. The risks associated with stock futures are similar to those associated with equity investments. Additional risks could be on account of illiquidity and potential mis-pricing of the futures.

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

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

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

Option contracts are classified into two styles:
(a) European Style
In a European option, the holder of the option can only exercise his right on the date of expiration only.

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

Basic Structure of an Equity Option
In India, options contracts on indices are European style and cash settled whereas, option contracts on individual securities are American style and cash settled.

Example using hypothetical figures:
Market type : N
Instrument Type : OPTSTK
Underlying : XYZ Ltd. (XYZ)
Purchase date : September 2, 2014
Expiry date : September 25, 2014
Option Type : Put Option (Purchased)
Strike Price : Rs. 5,750.00
Spot Price : Rs. 5,800.00
Premium : Rs. 200.00
Lot Size : 100
No. of Contracts : 50

Say, the Mutual Fund purchases on September 2, 2014, 1 month Put Options on XYZ Ltd. (XYZ) on the NSE i.e. put options on 5000 shares (50 contracts of 100 shares each) of XYZ.
As these are American style options, they can be exercised on or before the exercise date i.e. September 25, 2014. If the share price of XYZ Ltd. falls to Rs. 5,500/- on September 25, 2014, and the Investment Manager decides to exercise the option, the net impact will be as follows:
Premium Expense = Rs. 200 * 50 * 100 =
                          = Rs. 10,00,000/-
Option Exercised at = Rs. 5,500/-
Profits for the Mutual Fund = (5,750.00 - 5,500.00) * 50 * 100
                          = Rs. 12,50,000/-
Net Profit = Rs. 12,50,000 - Rs. 10,00,000 = Rs. 2,50,000/-
In the above example, the Investment Manager hedged the market risk on 5,000 shares of XYZ Ltd. by purchasing put options.

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

The net derivatives position in the Scheme may be up to 100% of its net assets, subject to the following regulatory limits:

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

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

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

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

iii. Additional position limit for hedging:

In addition to the position limits at point (i) and (ii) above, Fund may take exposure in equity index derivatives subject to the following limits:
a. Short positions in index derivatives (short futures, short calls and long puts) shall not exceed (in notional value) the Mutual Fund’s holding of stocks.
b. Long positions in index derivatives (long futures, long calls and short puts) shall not exceed (in notional value) the Mutual Fund’s holding of cash, government securities, T-Bills and similar instruments.

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

The Mutual Fund position limit in a derivative contract on a particular underlying stock, i.e. stock option contracts and stock futures contracts:
a. For stocks having applicable market-wise position limit (MWPL) of Rs. 500 crores or more, the combined futures and options position limit shall be 20% of applicable MWPL or Rs. 300 crores, whichever is lower and within which stock futures position cannot exceed 10% of applicable MWPL or Rs. 150 crores, whichever is lower.
b. For stocks having applicable market-wise position limit (MWPL) less than Rs. 500 crores, the combined futures and options position limit would be 20% of applicable MWPL and futures position cannot exceed 20% of applicable MWPL or Rs. 50 crore which ever is lower.

v. Position limit for the Scheme:

The position limits for the Scheme and disclosure requirements are as follows:
a. For stock option and stock futures contracts, the gross open position across all derivative contracts on a particular underlying stock of a scheme of a Fund shall not exceed the higher of 1% of free float market capitalization (in terms of number of shares).

Or

5% of the open interest in the derivative contracts on a particular underlying stock (in terms of number of contracts).
b. This position limit shall be applicable on the combined position in all derivative contracts on a underlying stock at a Stock Exchange.
c. For index based contracts, the Mutual Fund shall disclose the total open interest held by its scheme or all schemes put together in a particular underlying index, if such open interest equals to or exceeds 15% of the open interest of all derivative contracts on that underlying index.
As and when SEBI notifies amended limits in position limits for exchange traded derivative contracts in future, the aforesaid position limits, to the extent relevant, shall be read as if they were substituted with the SEBI amended limits.

Exposure Limits:

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

1. The cumulative gross exposure through equity, debt and derivative positions will not exceed 100% of the net assets of the respective Scheme. However, the following shall not be considered while calculating the gross exposure:
   a) Security-wise hedged position and
   b) Exposure in cash or cash equivalents with residual maturity of less than 91 days

2. The total exposure related to option premium must not exceed 20% of the net assets of the Scheme.

3. The Mutual Fund shall not write options or purchase instruments with embedded written options.

4. Exposure due to hedging positions may not be included in the above mentioned limits subject to the following:
   a. Hedging positions are the derivative positions that reduce possible losses on an existing position in securities and till the existing position remains.
   b. Hedging positions cannot be taken for existing derivative positions. Exposure due to such positions shall have to be added and treated under limits mentioned in Point 1.
   c. Any derivative instrument used to hedge has the same underlying security as the existing position being hedged.
   d. The quantity of underlying associated with the derivative position taken for hedging purposes does not exceed the quantity of the existing position against which hedge has been taken.

5. The Mutual Fund may enter into plain vanilla interest rate swaps for hedging purposes. The counter party in such transactions has to be an entity recognized as a market maker by RBI. Further, the value of the notional principal in such cases must not exceed the value of respective existing assets being hedged by the Scheme. Exposure to a single counterparty in such transactions should not exceed 10% of the net assets of the Scheme.

6. Exposure due to derivative positions taken for hedging purposes in excess of the underlying position against which the hedging position has been taken, shall be treated under the limits mentioned in point 1.

7. Definition of Exposure in case of Derivative Positions:
   Each position taken in derivatives shall have an associated exposure as defined under. Exposure is the maximum possible loss that may occur on a position. However, certain derivative positions may theoretically have unlimited possible loss. Exposure in derivative positions shall be computed as follows:

<table>
<thead>
<tr>
<th>Position</th>
<th>Exposure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Long Future</td>
<td>Futures Price * Lot Size * Number of Contracts</td>
</tr>
<tr>
<td>Short Future</td>
<td>Futures Price * Lot Size * Number of Contracts</td>
</tr>
<tr>
<td>Option Bought</td>
<td>Option Premium Paid * Lot Size * Number of Contracts</td>
</tr>
</tbody>
</table>

F. FUNDAMENTAL ATTRIBUTES

Following are the Fundamental Attributes of the Scheme, in terms of Regulation 18 (15A) of the SEBI (MF) Regulations:
(i) Type of Scheme -
- Open ended Equity Scheme

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

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

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

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

G. HOW WILL THE SCHEME BENCHMARK ITS PERFORMANCE?

The Board adopted Benchmarks for comparing the performance of the Scheme is CRISIL Liquid Fund Index.

CRISIL Liquid Fund Index is used to benchmark schemes which have short-term investment horizon and schemes which offer least element of risk. The scheme will invest in mostly risk-free arbitrage strategies and hence CRISIL Liquid Fund index is the most appropriate benchmark.

The Trustees reserves the right to change the benchmark in future if a benchmark better suited to the investment objective of the Scheme is available.

H. WHO WILL MANAGE THE SCHEME?

<table>
<thead>
<tr>
<th>Fund Manager</th>
<th>Age</th>
<th>Qualification(s)</th>
<th>Brief Experience</th>
<th>Other schemes managed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr. Apoorva Shah</td>
<td>50</td>
<td>B.Com., PGDM</td>
<td>Over 23 years of experience in Banking and Investment. Details are as under:</td>
<td>DSP BlackRock Equity Fund, DSP BlackRock Top 100 Equity Fund, DSP BlackRock Opportunities Fund, DSP BlackRock Small &amp; Mid Cap Fund, DSP BlackRock Tax Saver Fund, DSP BlackRock Focus 25 Fund, DSP BlackRock Balanced Fund and DSP BlackRock Dynamic Asset Allocation Fund.</td>
</tr>
<tr>
<td></td>
<td>years</td>
<td>(IIM Ahmedabad)</td>
<td>From Jan 09 to present: Executive Vice President, Investments - DSPBRIM From Apr 06 to Dec 08: Senior Vice President, Investments - DSPBRIM From 1998 to March 2006 - Portfolio Advisor and Head of Products, GPC India, DSP Merrill Lynch Limited.</td>
<td></td>
</tr>
<tr>
<td>Mr. Dhawal</td>
<td>42</td>
<td>B.E, MBA</td>
<td>Over 15 years of experience in Fixed Income Fund</td>
<td>DSP BlackRock Bond Fund, DSP BlackRock Government</td>
</tr>
<tr>
<td></td>
<td>years</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fund Manager</td>
<td>Age</td>
<td>Qualifications</td>
<td>Brief Experience</td>
<td>Other schemes managed</td>
</tr>
<tr>
<td>--------------</td>
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</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>From 2012 to present: DSPBRIM - Executive Vice President; From January 2006 to December 2011: DSPBRIM - Sr. Vice President; From May 1998 to December 2005: DSPBRIM - Joined as Asst. Vice President for the fixed income products and currently the Fund Manager and Head of Fixed Income schemes. From August 1996 to April 1998 - Merrill Lynch Investment Managers - Assistant Portfolio Manager - Assisted Portfolio Managers in managing Money Market Mutual Funds and Private Client Portfolios.</td>
<td></td>
</tr>
</tbody>
</table>

*A close ended equity scheme which shall invest in eligible securities as per *Rajiv Gandhi Equity Savings Scheme, 2012.

### I. WHAT ARE THE INVESTMENT RESTRICTIONS?

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

1. a. The Scheme shall not invest more than 15% of their NAV in debt instruments issued by a single issuer rated not below investment grade by a credit rating agency authorized to carry out such activity under the Securities and Exchange Board of India Act, 1992 and this limit may be extended to 20% of the NAV of the Scheme, subject to prior approval of the Boards of the AMC and the Trustee. All such investments shall be subject to the prior approval of the Boards of the AMC and the Trustee.

   The aforementioned limits shall not be applicable for investment in Government securities.

   b. The Scheme shall not invest more than 30% of their NAV in money market instruments of an issuer. Such limit shall not be applicable for investments in Government securities, treasury bills and collateralized borrowing and lending obligations.

2. The Scheme shall not invest more than 10% of its NAV in any unrated debt instruments issued by a single issuer and the total investment in such instruments shall not exceed 25% of the NAV of the scheme. All such investments shall be made with the prior approval of the Board of Trustees and the Board of asset management company.

3. The Scheme will not invest in a fund of funds scheme.

4. The Scheme will not invest in ADR/GDR or foreign securities.

5. The Scheme will not invest in securitized debt.

6. The Scheme will not engage in short selling of securities and securities lending and borrowing.
7. The Scheme will not participate in repos in corporate debt securities.

8. The Scheme will not invest in credit default swaps.

9. The Mutual Fund under all its schemes shall not own more than 10% of any company's paid up capital carrying voting rights.

10. Transfer of investments from one scheme to another scheme in the same mutual fund shall be allowed only if:
    (i) such transfers are done at the prevailing market price for quoted instruments on spot basis (spot basis shall have the same meaning as specified by a Stock Exchange for the spot transaction); and transfers of unquoted securities will be made as per the policy laid down by the Trustee from time to time; and
    (ii) the securities so transferred shall be in conformity with the investment objective of the scheme to which such transfer has been made.

11. The Scheme may invest in another scheme under the same AMC or any other mutual fund without charging any fees, provided that the aggregate inter-scheme investment made by all schemes under the same management or in schemes under the management of any other asset management company shall not exceed 5% of the net asset value of the Mutual Fund.

12. 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 the Mutual Fund may enter into derivatives transactions in a recognized stock exchange, subject to the framework specified by SEBI.
    Provided further that sale of government security already contracted for purchase shall be permitted in accordance with the guidelines issued by the Reserve Bank of India in this regard.

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

14. 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, subject to the following conditions issued by SEBI vide its circular SEBI/IMD/CIR No. 1/91171/07 dated April 16, 2007:
   a. "Short Term" for parking of funds shall be treated as a period not exceeding 91 days.
   b. Such short-term deposits shall be held in the name of Scheme.
   c. 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.
   d. 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.
   e. 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.
   f. 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.

15. The Scheme shall not make any investment in:
   i. any unlisted security of any associate or group company of the sponsor; or
   ii. any security issued by way of private placement by an associate or group company of the sponsor; or
   iii. the listed securities of group companies of the sponsor which is in excess of 25% of the net assets.
16. The Scheme shall not invest more than 10% of their NAV in the equity shares/equity related instruments of any company.

17. The Scheme, shall not invest more than 5% of their NAV in the unlisted equity shares or equity related instruments.

18. Save as otherwise expressly provided under SEBI (MF) Regulations, the Mutual Fund shall not advance any loans for any purpose. and the Mutual Fund shall not borrow except to meet temporary liquidity needs of the Scheme for the purpose of payment of interest or dividends to Unit Holders, provided that the Mutual Fund shall not borrow more than 20% of the net assets of each of the Scheme and the duration of such borrowing shall not exceed a period of six months.

19. In terms of SEBI circular no. CIR/IMD/DF/21/2012 dated September 13, 2012 read with SEBI circular no. CIR/IMD/DF/24/2012 dated November 19, 2012, the total exposure of the Scheme in a particular sector (excluding investments/deployments in Short Term deposits of Scheduled Commercial Banks, in Bank CDs, CBLO, G-Secs, TBills and AAA rated securities issued by Public Financial Institutions and Public Sector Banks) shall not exceed 30% of the net assets of the Scheme. However, the Scheme can have an additional exposure to financial services sector (over and above the limit of 30%) not exceeding 10% of the net assets of the scheme in Housing Finance Companies (HFCs). The additional exposure to such securities issued by HFCs should be rated AA and above and these HFCs should be registered with National Housing Bank (NHB) and the total investment/ exposure in HFCs shall not exceed 30% of the net assets of the Scheme.

The above restriction on sectoral limits will not be applicable to the equity portion of the Scheme.

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

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 its investments in the full spectrum of permitted investments in order to achieve its investment objectives.

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

J. HOW HAS THE SCHEME PERFORMED?

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

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

The investment themes of the existing open - ended equity schemes of the Mutual Fund (along with the asset under management and number of folios) are as stated below:
<table>
<thead>
<tr>
<th>Scheme Name</th>
<th>Investment Objective</th>
<th>Allocation</th>
<th>Number of Folios (as on August 31, 2014)</th>
<th>AUM as on August 31, 2014 (Rs. in crores)</th>
</tr>
</thead>
<tbody>
<tr>
<td>DSP BlackRock Arbitrage Opportunities Fund</td>
<td>An open ended balanced Scheme seeking to generate income through arbitrage opportunities between cash and derivative market and arbitrage opportunities within the derivative segment.</td>
<td>Equity and equity related securities: 65% - 100% Equity Derivatives including Index Futures, Stock Futures, Stock Options, Index Options etc.*: 65% - 100% Debt, Money market instruments: 0-35%</td>
<td>Not applicable</td>
<td></td>
</tr>
<tr>
<td>DSP BlackRock Balanced Fund</td>
<td>An open ended balanced Scheme, seeking to generate long term capital appreciation and current income from a portfolio constituted of equity and equity related securities as well as fixed income securities (debt and money market securities).</td>
<td>Equity and equity related securities: 65% - 75% Fixed income securities (Debt, securitized debt and money market securities): 25% - 35%</td>
<td>412</td>
<td>18583 -- 4.23 505.67 --</td>
</tr>
<tr>
<td>DSP BlackRock Equity Fund</td>
<td>An open ended growth Scheme, seeking to generate long term capital appreciation, from a portfolio that is substantially constituted of equity securities and equity related securities of issuers domiciled in India. This shall be the fundamental attribute of the Scheme.</td>
<td>Equity and equity related securities: 90% - 100% *Debt and Money Market Securities: 0% - 10% *Debt securities/instruments are deemed to include securitised debts.</td>
<td>3108</td>
<td>106599 1 301.64 1897.33 76.51</td>
</tr>
<tr>
<td>DSP BlackRock India T.I.G.E.R Fund (The Infrastructure Growth and Economic Reforms Fund)</td>
<td>An open ended diversified equity Scheme, seeking to generate capital appreciation, from a portfolio that is substantially constituted of</td>
<td>Equity and equity related securities: 90% - 100% Debt, securitized debt and Money Market Securities: 0% - 10% ADR, GDR and</td>
<td>2023</td>
<td>156486 -- 88.38 1356.25 --</td>
</tr>
<tr>
<td>Scheme Name</td>
<td>Investment Objective</td>
<td>Allocation</td>
<td>Number of Folios (as on August 31, 2014)</td>
<td>AUM as on August 31, 2014 (Rs. in crores)</td>
</tr>
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</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Direct</td>
<td>Regular</td>
</tr>
<tr>
<td>DSP BlackRock Natural Resources &amp; New Energy Fund</td>
<td>An open ended equity growth scheme, whose primary investment objective is to seek to generate capital appreciation and provide long term growth opportunities by investing in equity and equity related securities of companies domiciled in India whose predominant economic activity is in the (a) discovery, development, production, or distribution of natural resources, viz., energy, mining etc; (b) alternative energy and energy technology sectors, with emphasis given to renewable energy, automotive and on-site power generation, energy storage and enabling energy technologies. The Scheme will also invest a certain</td>
<td>foreign securities: 0% - 25%</td>
<td>Equity and Equity related Securities of companies domiciled in India, and principally engaged in the discovery, development, production or distribution of Natural Resources and Alternative Energy : 65% - 100%</td>
<td>118</td>
</tr>
<tr>
<td>Scheme Name</td>
<td>Investment Objective</td>
<td>Allocation</td>
<td>Number of Folios (as on August 31, 2014)</td>
<td>AUM as on August 31, 2014 (Rs. in crores)</td>
</tr>
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</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Direct Plan</td>
<td>Regular Plan</td>
</tr>
<tr>
<td>DSP BlackRock Opportunities Fund</td>
<td>An open ended growth Scheme, seeking to generate long term capital appreciation and whose secondary objective is income generation and the distribution of dividend from a portfolio constituted of equity and equity related securities concentrating on the investment focus of the Scheme.</td>
<td>Debt and Money Market Securities: 0% - 20%</td>
<td>Direct Plan: 634</td>
<td>Regular Plan: 35141</td>
</tr>
</tbody>
</table>

Portion of its corpus in the equity and equity related securities of companies domiciled overseas, which are principally engaged in the discovery, development, production or distribution of natural resources and alternative energy and/or the units/shares of BlackRock Global Funds (BGF) - New Energy Funds (NEF), BGF - World Energy Funds (WEF) and similar other overseas mutual fund schemes. The secondary objective is to generate consistent returns by investing in debt and money market securities.

Equity and equity related securities: 80% - 100%
Fixed income securities (Debt* and money market securities): 0% - 20%

*Debt securities/instruments are deemed to include securitised debts.
<table>
<thead>
<tr>
<th>Scheme Name</th>
<th>Investment Objective</th>
<th>Allocation</th>
<th>Number of Folios (as on August 31, 2014)</th>
<th>AUM as on August 31, 2014 (Rs. in crores)</th>
</tr>
</thead>
</table>
| **DSP BlackRock Small and Mid Cap Fund** | An open ended equity growth scheme, primarily seeking to generate long term capital appreciation from a portfolio substantially constituted of equity and equity related securities, which are not part of top 100 stocks by market capitalization. From time to time, the Fund manager will also seek participation in other equity and equity related securities to achieve optimal portfolio construction. | (a) Equity and equity related which are not part of the top 100 stocks by market capitalization: 65% - 100%  
(b) Equity and equity related securities which are in the top 100 stocks by market capitalization: 0% - 35%  
Of (a) & (b) above, investments in ADRs, GDRs and foreign securities: 0% - 25%  
Debt and Money Market Securities: 0% - 10%                                                                 | 2903 | 119028 | -- | 36.03 | 1376.21 | -- |
| **DSP BlackRock Tax Saver Fund** | An open ended equity linked savings scheme, whose primary investment objective is to seek to generate medium to long-term capital appreciation from a diversified portfolio that is substantially constituted of equity and equity related securities of corporates, and to enable investors avail of a deduction from total income, as permitted under the Income Tax Act, 1961 from time to time. | Equity and equity related securities: 80% - 100% of which Investments in ADRs, GDRs and foreign equity securities: 0% - 20%  
Debt, securitised debt* and money market securities: 0% - 20%  
*Exposure to securitized debt will not exceed 10% of the net assets of the Scheme | 1815 | 174503 | -- | 7.15  | 943.77  | -- |
<table>
<thead>
<tr>
<th>Scheme Name</th>
<th>Investment Objective</th>
<th>Allocation</th>
<th>Number of Folios (as on August 31, 2014)</th>
<th>AUM as on August 31, 2014 (Rs. in crores)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Direct Plan</td>
<td>Regular Plan</td>
<td>Institutional Plan</td>
</tr>
<tr>
<td>DSP BlackRock Technology.com Fund</td>
<td>An open ended growth Scheme, seeking to generate long term capital appreciation, and whose secondary objective is income generation and the distribution of dividend from a portfolio constituted of equity and equity related securities concentrating on the investment focus of the Scheme.</td>
<td>Equity and equity related securities:80% - 100% Fixed income securities (Debt* and money market securities): 0% - 20% *Debt securities/instruments are deemed to include securitised debts.</td>
<td>199</td>
<td>7562</td>
</tr>
<tr>
<td>DSP BlackRock Top 100 Equity Fund</td>
<td>An open ended growth Scheme, seeking to generate capital appreciation, from a portfolio that is substantially constituted of equity securities and equity related securities of the 100 largest corporates, by market capitalisation, listed in India. This shall be the fundamental attribute of the Scheme.</td>
<td>Equity and equity related securities: 90% - 100% Debt, securitized debt and Money Market Securities: 0% - 10%</td>
<td>8737</td>
<td>215470</td>
</tr>
<tr>
<td>DSP BlackRock Focus 25 Fund</td>
<td>An open ended equity growth scheme seeking to generate long-term capital growth from a portfolio of equity and equity-related securities including equity derivatives. The portfolio will largely consist of companies, which are amongst the top 200 companies by market capitalisation. The</td>
<td>(a) Equity and equity related securities, which are amongst the top 200 companies by market capitalization*: 65% - 100% b) Equity and equity related securities, which are beyond the top 200 companies by market capitalization : 0%</td>
<td>330</td>
<td>25642</td>
</tr>
<tr>
<td>Scheme Name</td>
<td>Investment Objective</td>
<td>Allocation</td>
<td>Number of Folios (as on August 31, 2014)</td>
<td>AUM as on August 31, 2014 (Rs. in crores)</td>
</tr>
<tr>
<td>--------------------------</td>
<td>----------------------------------------------------------------------------------------</td>
<td>-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
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</tr>
<tr>
<td></td>
<td>portfolio will limit exposure to companies beyond the top 200 companies by market capitalization upto 20% of the net asset value. The Scheme will normally hold equity and equity-related securities including equity derivatives, of upto 25 companies. Further, the Scheme will also have at least 95% of the invested amount (excluding investments in debt securities, money market securities and cash &amp; cash equivalents) across the top 25 holdings in the portfolio. The Scheme may also invest in debt and money market securities, for defensive considerations and/or for managing liquidity requirements. There can be no assurance that the investment objective of the Scheme will be realized.</td>
<td>- 20%</td>
<td>Direct Plan: 2453</td>
<td>Regular Plan: 54204</td>
</tr>
<tr>
<td>DSP BlackRock Micro Cap Fund</td>
<td>An open ended equity growth scheme seeking to generate long term capital appreciation from a portfolio that is substantially constituted of equity and equity related securities, (a) Equity and equity related securities which are not part of the top 300 stocks by market capitalization: 65% - 100% (b) Equity and equity related</td>
<td><em>(The portfolio will largely consist of companies, which are amongst the top 200 companies by market capitalisation. The portfolio will limit exposure to companies beyond the top 200 companies by market capitalization to 20% of the net asset value. The Scheme will also have at least 95% of the invested amount (excluding investments in debt securities, money market securities and cash &amp; cash equivalents) across the top 25 holdings in the portfolio.)</em></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Scheme Name</td>
<td>Investment Objective</td>
<td>Allocation</td>
<td>Number of Folios (as on August 31, 2014)</td>
<td>AUM as on August 31, 2014 (Rs. in crores)</td>
</tr>
<tr>
<td>-------------</td>
<td>----------------------</td>
<td>------------</td>
<td>----------------------------------------</td>
<td>-----------------------------------------</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Direct Plan</td>
<td>Regular Plan</td>
<td>Instituional Plan</td>
</tr>
<tr>
<td></td>
<td>which are not part of the top 300 companies by market capitalization. From time to time, the Investment Manager will also seek participation in other equity and equity related securities to achieve optimal portfolio construction. This shall be the fundamental attribute of the Scheme.</td>
<td>securities which are in the top 300 stocks by market capitalization: 0% - 35%</td>
<td>(a) &amp; (b) above, investments in ADRs, GDRs and foreign securities: 0% - 25%</td>
<td>Debt* and Money Market Securities: 0% - 35%</td>
</tr>
</tbody>
</table>
SECTION VI. UNITS AND OFFER

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

A. NEW FUND OFFER (NFO)

<table>
<thead>
<tr>
<th>New Fund Offer Period</th>
<th>NFO for DSP BlackRock Arbitrage Opportunities Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>(This is the period during which a new scheme sells its units to the investors.)</td>
<td>Opens on: ____________ and Closes on: ________________</td>
</tr>
</tbody>
</table>

**Extension or Termination of NFO Period**
The Trustee reserves the right to extend the closing date of the NFO period, subject to the condition that the subscription list shall not be kept open for more than 15 days or close the subscription list earlier by giving prior notice to the investors in one daily newspaper.

<table>
<thead>
<tr>
<th>NFO Price</th>
<th>The corpus of the Scheme will be divided into Units having an initial value of Rs. 10/- each. The Units can be purchased at this price during the NFO period of each Scheme.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(This is the price per unit that the investors have to pay to invest during the NFO.)</td>
<td>Minimum Amount for Application in the NFO</td>
</tr>
<tr>
<td>Rs. 1,000/-</td>
<td>Minimum Target amount (This is the minimum amount required to operate each Scheme and if this is not collected during the NFO period, all investors would be refunded the amount invested without any return. However, if the AMC fails to refund the amount within 5 business days from the closure of the NFO, interest as specified by SEBI (currently 15% p.a.) will be paid to the investors from the expiry of fifth business day from the date of closure of the subscription period.)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Maximum Amount to be raised</th>
<th>There is no maximum subscription amount for the Scheme to be raised and therefore, subject to the applications being in accordance with the terms of this offer, full allotment will be made to the applicants. However, the Trustee/AMC retains the sole and absolute discretion to reject any application.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(This is the maximum amount which can be collected during the NFO period, as decided by the AMC.)</td>
<td>Plans Available under each Scheme</td>
</tr>
<tr>
<td>• Regular Plan</td>
<td>• Direct Plan</td>
</tr>
</tbody>
</table>

**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>
<thead>
<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>
</thead>
<tbody>
<tr>
<td>1</td>
<td>ARN Code</td>
<td>Regular Plan</td>
<td>Regular Plan</td>
</tr>
<tr>
<td>2</td>
<td>ARN Code</td>
<td>Direct Plan</td>
<td>Direct Plan</td>
</tr>
<tr>
<td>3</td>
<td>ARN Code</td>
<td>Blank</td>
<td>Regular Plan</td>
</tr>
</tbody>
</table>
Options offered under the Scheme

<table>
<thead>
<tr>
<th>4</th>
<th>Direct/Blank</th>
<th>Regular Plan</th>
<th>Direct Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>5</td>
<td>Direct/Blank</td>
<td>Direct Plan</td>
<td>Direct Plan</td>
</tr>
<tr>
<td>6</td>
<td>Direct/Blank</td>
<td>Blank</td>
<td>Direct Plan</td>
</tr>
</tbody>
</table>

(i) Growth Option - Option A

The Mutual Fund will not declare any dividends under this option. The income earned under this Option will remain invested in the option and will be reflected in the NAV. This option is suitable for investors who are not looking for current income but who have invested with the intention of capital appreciation. Moreover, if Units under this option are held as capital asset for a period of at least one year from the date of acquisition, Unit Holders will get the benefit of long term capital gains tax.

(ii) Dividend Option - Option B

The above Option is suited for investors seeking income through dividends declared by the Scheme. Only Unit Holders opting for the Dividend Option will receive dividends. The Trustee intends to declare annual dividend comprising substantially of net income and net capital gains. The Trustee, in its sole discretion, may also declare interim dividends.

This Option in turn offers two sub-options i.e. “Payout Dividend” and “Reinvest Dividend”, as under:

- **Payout Dividend**

As per the SEBI (MF) Regulations, the Mutual Fund shall despatch dividend proceeds to the Unit Holders within 30 days of declaration of the dividend. Dividends will be paid by cheque, net of taxes, as may be applicable. Unit Holders will also have the option of direct payment of dividend to the bank account. The cheques will be drawn in the name of the sole/first holder and will be posted to the registered address of the sole/first holder as indicated in the original application form.

To safeguard the interest of Unit Holders from loss or theft of dividend cheques, investor should provide the name of their bank, branch and account number in the Application Form. Dividend cheques will be sent to the Unit Holder after incorporating such information.

Investors may however note that in case the dividend distributed (net of tax deducted at source, wherever applicable) is for an amount equal to or less than Rs. 250/- , the dividend, instead of being paid out to the Unit holder will be reinvested by issuing additional Units of the Scheme at the Applicable NAV on the next Business day after the Record Date. The additional Units issued and held as long term capital asset will get the benefit of long-term capital gains tax if sold after being held for one year. For this purpose, one year will be computed from the date when such additional units are allotted.

- **Reinvest Dividend**

Under this sub-option, dividends are reinvested by way of allotment of additional Units of the Scheme, instead of receiving dividend payout. Such additional Units by way of reinvestment of dividends will be at the Applicable NAV on the next Business day after the Record Date. The additional Units issued under this sub-option and held as long term capital asset will get the benefit of long-term capital gains tax if sold after being held for one year. For this purpose, one year will be computed from the date when such additional units are allotted.

**Effect of Dividend**: Post declaration of dividend, the NAV of the Units under the Dividend Option will stand reduced by the amount of dividend declared and applicable dividend distribution tax/surcharge/cess/any other statutory levy. Notwithstanding varying rates of statutory levies, the ex-dividend NAV will remain the same for all categories of investors in the Dividend Option, though the number of additional Units received by Unit Holders may vary depending on the category of each Unit Holder. For details on taxation of dividend please
refer the SAI.

Notes:

a. The Trustee intends to declare dividends comprising substantially of net income and net capital gains. It should be noted that the actual distribution of dividends and frequency of distribution will be entirely at the discretion of the Trustee. To the extent the entire net income and realised gains are not distributed, it will remain invested in the Option and reflected in the NAV.

b. An investor on record for the purpose of dividend distributions is an investor who is a Unit Holder as of the Record Date. In order to be a Unit Holder, an investor has to be allocated Units representing receipt of clear funds by the Scheme.

c. Investors should indicate the name of the Scheme and/or Option, clearly in the application form. In case of valid applications received, without indicating the Scheme and/or Option etc. or where the details regarding Option are not clear or ambiguous, the following defaults will be applied:

<table>
<thead>
<tr>
<th>If no indication is given under the following</th>
<th>Default</th>
</tr>
</thead>
<tbody>
<tr>
<td>Option - Growth/Dividend</td>
<td>Growth</td>
</tr>
<tr>
<td>Sub-option - Payout Dividend/Reinvest Dividend</td>
<td>Payout Dividend</td>
</tr>
</tbody>
</table>

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

Dividend Policy

The Trustee intends to declare dividends comprising substantially of net income and net capital gains. It should be noted that the actual distribution of dividends and frequency of distribution will be entirely at the discretion of the Trustee. To the extent the entire net income and realised gains are not distributed, it will remain invested in the Option and reflected in the NAV.

Effect of Dividend: Post declaration of dividend, the NAV of the Units under the Dividend Payout Option (Option B) will stand reduced by the amount of dividend declared and applicable dividend distribution tax/surcharge/cess/any other statutory levy.

Dematerialisation

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

Investors intending to hold the Units in Demat form are required to have a beneficiary account with the Depository Participant (DP) registered with NSDL/CDSL and will be required to indicate in the specified application form, the DP’s name, DP ID number and the beneficiary account number of the Unit holder with the DP. In case the Demat account details are not provided or the details are incomplete or the details do not match with the records as per Depository(ies), Units will be allotted in physical form. The sequence of names/pattern of holding as mentioned in the application form must be same as that in the demat account. Units shall be credited to the investors’ demat account only after the funds are credited into the Mutual Fund’s scheme(s)
account to the satisfaction of the AMC.

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

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

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

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

Allotment

- Allotment will be completed after due reconciliation of receipt of funds for all valid applications within 5 Business Days from the closure of the NFO period. Allotment to NRIs/FIs/FPIs will be subject to RBI approval, if required. Subject to the SEBI (MF) Regulations, the Trustee may reject any application received in case the application is found invalid/incomplete or for any other reason in the Trustee's sole discretion. For investors who have given demat account details, the Units will be credited to the investor’s demat account after due verification and confirmation from NSDL/CDSL of the demat account details. As the Stock Exchange(s) do not allow trading of fractional units, Units will be allotted only in integers by rounding off the Units allotted to the lower integer and the balance amount will be refunded to the investor.

- Allotment confirmation specifying the number of Units allotted will be sent to each Unit Holder who has not provided his demat account details in the application form for subscription during the NFO at their registered e-mail address and/or mobile number by way of email and/or SMS within 5 Business Days from the close of the NFO period of the Scheme.

- For investors who have given demat account details at the time of NFO, the Units issued by the AMC shall be credited by the Registrar to the investors’ beneficiary account with the DP as per information provided in the application form and information of allotment will be accordingly sent by the Registrar.

- Normally no Unit certificates will be issued. However, if the applicant so desires, the AMC shall issue a non-transferable Unit certificate to the applicant within 5 working days of the receipt of request for the certificate.

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

Allotment confirmation

Information about allotment of Units stating the number of Units allotted shall be sent within 5 Business Days from the close of the NFO Period of the Scheme.

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

Where investor desires to hold units in dematerialised from, demat statement shall be provided by the depository participant in such from and in such manner and at such time as provided in the agreement with the beneficial owner. The Statement provided by the depository participant will be equivalent to an account statement, and no further statement shall be issued by the mutual fund.

Refund

- If the Scheme fail to collect the minimum subscription amount of Rs. 10 Crore, the Mutual Fund shall be liable to refund the money to the applicants.
- Refund of subscription money to applicants whose applications are invalid for any reason whatsoever, will commence immediately after the closure of the NFO.
- Refunds will be completed within 5 Business Days from the closure of the New Fund Offer Period. If the Mutual Fund refunds the amount after 5 Business Days, interest as specified by SEBI (currently, 15% per annum) shall be paid by the AMC. Refund orders will be marked "A/c. Payee only" and drawn in the name of the applicant in the case of a sole applicant and in the name of the first applicant in all other cases. All refund cheques will be mailed by Registered Post or as per the applicable Rules. As per the directives issued by SEBI, it is mandatory for Applicants to mention their bank account numbers in their applications for purchase of Units.

Who can invest?

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

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

- Resident Adult Individuals either singly or jointly (not exceeding three)
- Minors through parent/legal guardian
- Companies, Bodies Corporate, Public Sector Undertakings, association of persons or bodies of individuals whether incorporated or not and societies registered under the Societies Registration Act, 1860 (so long as the purchase of Units is permitted under the respective constitutions)
- Trustee of private trusts authorised to invest in mutual fund Scheme under the Trust Deed
- Partnership Firms
- Karta of Hindu Undivided Family (HUF)
- Banks (including Co-operative Banks and Regional Rural Banks) and Financial Institutions
- NRIs/Persons of Indian Origin residing abroad on full repatriation basis (subject to RBI approval, if any) or on non-repatriation basis
- Foreign Institutional Investors (FIls) registered with SEBI on full repatriation basis (subject to RBI approval, if any)
- Foreign Portfolio Investors (FPIs)
- Army, Air Force, Navy and other para-military funds
- Scientific and Industrial Research Organisations
- International Multilateral Agencies approved by the Government of India
- Non-Government Provident/Pension/Gratuity funds as and when permitted to invest
- Mutual Funds registered under the SEBI (Mutual Funds) Regulations, 1996
- Others who are permitted to invest in the Scheme as per their respective constitutions
- The scheme of the Mutual Fund, subject to the conditions and limits prescribed in SEBI (MF) Regulations and/or by the Trustee, AMC or Sponsors
All category of investors (whether existing or new) as permitted above are eligible to subscribe under Direct Plan. Investments under the Direct Plan can be made through various mode offered by the Fund for investing directly in the Fund.

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

a. The minor shall be the sole and only first holder in the account. Nomination facility is not available for applications/folios on behalf of a minor. Joint holders’ details and nomination details, even if mentioned and signed will not be considered.

b. Guardian of the minor should either be a natural guardian (i.e. father or mother) or a court appointed legal guardian.

c. Details like minor’s date of birth, Guardian’s relation with Minor, Guardian name, PAN, KYC are mandatory, along with supporting documents. Photo copy of the document evidencing the date of birth of minor like
   i) Birth certificate of the minor, or
   ii) School leaving certificate / Mark sheet issued by Higher Secondary Board of respective states, ICSE, CBSE etc., or
   iii) Passport of the minor, or
   iv) any other suitable proof should be attached with the application form.

d. Where the guardian is not a natural guardian (father or mother) and is a court appointed legal guardian, suitable supporting documentary evidence should be provided.

e. If the mandatory details and/or documents are not provided, the application is liable to be rejected without any information to the applicant.

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

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

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

- No fresh purchases switches in the Scheme would be allowed.

- For transaction from Stock Exchange platform, while transferring units from the broker account to investor account, if the investor has U.S./Canadian address then the transactions would be rejected.

- In case the AMC/Fund subsequently indentifies that the subscription amount is received from U.S. Person(s) or Resident(s) of Canada, in that case the AMC/Fund at its discretion shall redeem all the units held by such person from the Scheme of the Fund at applicable Net Asset Value.

- **Qualified Foreign Investors (‘QFIs’)**
In terms of the SEBI Circular CIR / IMD / DF / 14 / 2011 dated August 9, 2011, SEBI Circular CIR/IMD/FII&C/3/2012 dated January 13, 2012 and SEBI Circular CIR/IMD/FII&C/18/2012 dated July 20, 2012, the QFIs who meet Know Your Client (‘KYC’) requirement and eligibility requirement of the jurisdiction where the QFIs are based shall be eligible to make investment in the notified Schemes of the Fund, as may be permitted to accept investments from QFIs as per the extant regulatory provisions, applicable from time to time, subject to the following guidelines:

QFIs shall mean a person who fulfils the following criteria:

(i) Resident in a country that is a member of Financial Action Task Force (‘FATF’) or a member of a group which is a member of FATF; and

(ii) Resident in a country that is a signatory to International Organisation of Securities Commission’s (‘IOSCO’s’) Multilateral Memorandum of Understanding (‘MMOU’) (Appendix A Signatories) or a signatory of a bilateral Memorandum of Understanding (‘MOU’) with SEBI:

Provided that the person is not resident in a country listed in the public statements issued by FATF from time to time on (i) Combating the Financing of Terrorism (Anti Money Laundering/Combating the Financing of Terrorism) deficiencies to which counter measures apply, (ii) jurisdictions that have not made sufficient progress in addressing the deficiencies or have not committed to an action plan developed with the FATF to address the deficiencies:

Provided further such person is not resident in India.

Provided further that such person is not registered with SEBI as Foreign Institutional Investor or Sub-account or Foreign Venture Capital Investor.

Explanation:-For the purposes of the aforesaid meaning:

1. The term “Person” shall carry the same meaning under section 2(31) of the Income Tax Act, 1961;
2. The phrase “resident in India” shall carry the same meaning as in the Income Tax Act, 1961;
3. “Resident” in a country, other than India, shall mean resident as per the direct tax laws of that country.
4. “Bilateral MoU with SEBI” shall mean a bilateral MoU between SEBI and the overseas regulator that inter alia provides for information sharing arrangements.
5. Member of FATF shall not mean an Associate member of FATF.

• Guidelines applicable for QFIs

QFIs who meet the KYC and other requirements stipulated by SEBI / the Fund/ the AMC and other applicable regulator(s), may invest in Schemes/Plans/Options (as and when notified) of the Fund, as may be permitted by extant applicable laws, by subscribing to Mutual Fund (‘MF’) units through the following route:

Direct Route - Holding MF units in Demat account maintained by the QFIs with a SEBI registered Qualified Depository Participant (QDP).

The Fund reserves the right to obtain any additional information / documents from the QFIs to ensure the compliance of extant laws and regulations.

A person who satisfies the requirements of QFIs, as stated above, can only invest under the Direct Route. Further, such investment(s) shall be in compliance with the extant applicable laws of the country in which the QFIs is
resident and from which the investment is made.

In case of Direct Route, a QFIs can open only one demat account with any one of the QDPs and shall subscribe and redeem the units of the Fund only through that QDP.

A QFIs shall open a single non-interest bearing Rupee Account with an Authorised Dealer (AD) Category- I bank in India, subject to terms and conditions specified under Foreign Exchange Management Act (FEMA), 1999 from time to time, for routing the receipt and payment for transactions relating to purchase and sale of mutual funds units subject to the conditions as may be prescribed by Reserve Bank of India (RBI) from time to time. Further, QFIs are requested to note that, when subscriptions are received from bank account, the same bank account will only be eligible for receipt of redemption/dividend proceeds.

Units which are held by QFIs, of any scheme of the Fund, shall be non-transferrable and non-tradable. QFIs shall be entitled to only subscribe or redeem units of Schemes of the Fund and shall not be entitled to carry out systematic investments/ systematic transfer / systematic withdrawals and switches of such units.

Further, the QFIs shall not be entitled to create any encumbrance i.e. pledge or lien on the units of the Schemes of the Fund that are held by them and they shall be required to hold such units free from all encumbrances.

Process for subscription / redemption of units by QFIs through Direct Route:
There shall be 3 parties under this route - QFIs, QDP and the Fund:

1. Subscription Process
   a) Subscription from QFIs
      i. The QFIs will make an application for purchase / subscription to the concerned QDP, mentioning the name of the scheme/plan/option.
      ii. The QDP in turn will forward the purchase / subscription order to the Fund as per the process laid down by the AMC from time to time.
   
   b) The Fund / the AMC shall process the purchase / subscription request and credit the units into the demat account of the QFIs, held with the QDP.

   c) Units will be allotted on the basis of NAV of the day when the funds are received in the scheme bank account as well as receipt of a valid purchase/subscription application from the QFIs, through QDP, before applicable cut-off timings.

2. Redemption Process
   a) QFIs can redeem, either through delivery instruction (physical/ electronic) or any another mode prescribed by the QDP.

   b) QFIs shall issue redemption instruction to the QDP and the QDP shall in turn process the same and forward the redemption instruction(s) to the Fund / the AMC as per the process laid down by the AMC from time to time.

   c) QDP shall simultaneously transfer the relevant units held in demat account of the QFIs to the respective scheme demat account.

   d) Upon receipt of the redemption instructions and the concerned units, the Fund/ the AMC shall process the redemption request and credit the redemption amount, within the applicable timelines for redemption.
specified in the SID in the single non-interest bearing Rupee Account of the QFIs.

e) NAV in case of redemption would be applicable on the basis of time stamping of redemption instruction & applicable cut-off timing of the concerned scheme of the Fund.

3. Dividend

Dividend amount will be credited by the Fund/AMC to the non-interest bearing Rupee Account of the QFIs.

4. Refund Process

If for any reason units are not allotted by the Fund / AMC, after receipt of funds from the QFIs, then the Fund / the AMC shall refund the funds to the non-interest bearing Rupee Account of the QFIs within the prescribed timelines.

- All payments by the Fund/AMC to the QFIs shall be made net of applicable taxes.
- The AMC reserves the right to temporarily suspend subscriptions into the notified Scheme of the Fund, if the limits prescribed by SEBI for QFIs investments for the MF are exceeded/expected to be exceeded.
- The investment(s) by the QFIs in the Schemes of the Fund shall also be subject to the relevant and extant FEMA regulations and guidelines issued by the RBI from time to time.
- The AMC reserves the right to introduce / modify any terms and conditions for processing the transactions of QFIs in line with applicable regulations and amendments from time to time.

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

  The AMC shall comply with FATCA as an when it becomes applicable. Accordingly, the AMC shall execute the requisite agreement with US Tax authorities (i.e. the Internal Revenue Service or IRS) by virtue of which the AMC shall report the required information/details of the investments made by US citizens and residents to IRS. For further details relating to FATCA, investors are requested to refer SAI which is available on the website viz. www.dspblackrock.com

Where can you submit filled up applications for purchase?

Applications can be submitted at any of the official points of acceptance of transactions before the close of the office business hours. The addresses are given at the end of this SID. Investors can log on to www.camsonline.com for details of various offices/ISCs of Registrar.

Stock brokers registered with recognized stock exchanges and empanelled with the AMC shall also be considered as official points of acceptance of transactions. Please refer to ‘Trading in Units through Stock Exchange mechanism’ under ‘A. New Fund Offer Details’, for detailed provisions.

ASBA applications can be submitted only at SCSB at their designated branches. List of SCSBs and their designated branches shall be displayed on the SEBI’s website (www.sebi.gov.in).

How to Apply?

- Please refer to the SAI and application form for instructions.
- Investors intending to trade in Units of the Scheme, will be required to provide demat account details in the application form, as mentioned under ‘Dematerialisation’.
- Investors intending to apply through ASBA will be required to submit ASBA form to their respective banks, which in turn will block the amount in their account as per authority contained in the ASBA form. ASBA form should not be submitted at location other than SCSB as it will not be processed. For details on ASBA process please refer the ASBA application form.
| Listing and Transfer of Units | The Scheme is open ended and the Units are not proposed to be listed on any stock exchange. However, the Mutual Fund may, at its sole discretion, list the Units on one or more Stock Exchanges at a later date, and thereupon the Mutual Fund will make suitable public announcement to that effect.

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

Units of the Scheme held in physical form shall be non-transferable. However, if a person becomes a holder of the Units consequent to operation of law or upon enforcement of a pledge, the Mutual Fund will, subject to production of satisfactory evidence, effect the transfer, if the transferee is otherwise eligible to hold the Units. Similarly, in cases of transfers taking place consequent to death, insolvency etc., the transferee's name will be recorded by the Mutual Fund subject to production of satisfactory evidence. For units of the Scheme held in electronic (demat) form, the Units will be transferable and will be subject to the transmission facility in accordance with the provisions of SEBI (Depositories and Participants) Regulations, 1996 as may be amended from time to time. |
| Trading in Units through Stock Exchange Mechanism | The facility of transacting through the Stock Exchange mechanism/Trading Platforms (MFSS (platform offered by NSE), BSE StAR MF (platform offered by BSE) or any other recognised stock exchange trading platform) enables investors to buy and sell the Units of the Scheme(s) through the stock brokers registered with the BSE and/or NSE in accordance with the guidelines issued by SEBI and operating guidelines and directives issued by NSE, BSE or such other recognized stock exchange in this regard. The investor shall be serviced directly by such stock brokers/Depository Participant. The Mutual Fund will not be in a position to accept any request for transactions or service requests in respect of Units bought under this facility in demat mode.

Investors may note that this facility will be offered to investors who wish to hold units in dematerialized form. This facility will currently not support transactions done through switches or facilities such as SWP and STP. In case of non-financial requests/applications such as change of address, change of bank details, etc., investors should approach the respective Depository Participant(s).

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

Rematerialization of Units can be carried out in accordance with the provisions of SEBI (Depositories and Participants) Regulations, 1996 as may be amended from time to time. Investors, who wish to get back their securities in physical form, may request their respective Depository Participant for rematerialization of Units in their beneficiary accounts.

Transactions conducted through the Stock Exchange mechanism shall be governed by the SEBI (Mutual Funds) Regulations 1996 and operating guidelines and directives issued by NSE, BSE or such other recognized exchange in this regard. |
| Payment details | The cheque or demand draft should be drawn in favour of the 'Scheme Name', as the case may be, and should be crossed Account Payee Only.

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. |
<table>
<thead>
<tr>
<th>Special facilities available during the NFO</th>
</tr>
</thead>
<tbody>
<tr>
<td>(i) <strong>Switching</strong></td>
</tr>
<tr>
<td>During the NFO period (switch request will be accepted up to 3.00 p.m. on the last day of the NFO), the Unit holders will be able to invest into the NFO of the Scheme by switching part or all of their Unit holdings held in the existing schemes of the Mutual Fund.</td>
</tr>
<tr>
<td>A switch has the effect of redemption from one scheme/plan/option and a purchase in the other scheme/plan/option to which the switching has been done. The price at which the units will be switched out will be based on the redemption price of the scheme from which switch-out is done and the proceeds will be invested into the Scheme at the NFO Price.</td>
</tr>
<tr>
<td>Unit holders are requested to note that application for switch-out for units for which funds are not realized via purchase or switch-in in the scheme of the Fund shall be liable to be rejected. In other words, switch out of units will be processed only if the funds for such units are realized in the scheme by a way of payment instructions/transfer or switch-in funding process.</td>
</tr>
<tr>
<td>Further, all switch funding shall be in line with redemption funding timelines adopted by the concerned scheme i.e. if a scheme follows T+3 payout for redemption, the switch out funding should also be made on the T+3 and not earlier or later than T+3, where T is the day of transaction.</td>
</tr>
<tr>
<td>(ii) <strong>Systematic Investment Plan (SIP)</strong> - Investors can, during the NFO, benefit by investing Rupee amounts periodically for a continuous period through SIP. SIP allows investors to invest a fixed amount of Rupees on specific dates every month or quarter by purchasing Units of the Scheme at the Purchase Price prevailing at such time.</td>
</tr>
<tr>
<td>Investors can enroll themselves for SIP (minimum 12 installments) by ticking the appropriate box in the application form and filling up the relevant SIP form specifying the amount, period and SIP date. The detailed terms and conditions are mentioned in the SIP Auto Debit Form. SIP through post-dated cheques will not be accepted during NFO.</td>
</tr>
<tr>
<td>Please refer details on SIP facility in the section, B.10. (i) Systematic Investment Plan (SIP).</td>
</tr>
<tr>
<td>(iii) <strong>Applications Supported by Blocked Amount (ASBA) facility</strong></td>
</tr>
<tr>
<td>ASBA facility will be provided to the investors subscribing to NFO of the Scheme. It shall co-exist with the existing process, wherein cheques/demand drafts are used as a mode of payment. Please refer ASBA application form for detailed instructions. Please refer the SAI and ASBA application form for complete details on ASBA.</td>
</tr>
</tbody>
</table>

| The policy regarding reissue of repurchased units, including the maximum extent, the manner of reissue, the entity (the Scheme or the AMC) involved in the same. | Not Applicable. |
| Restrictions, if any, on the right to freely retain or dispose of units being offered. | In the event of an order being received from any regulatory authority/body, directing attachment of the Units of any investor, redemption of Units will be restricted in due compliance of such order. |
B. ONGOING OFFER DETAILS

1. Ongoing/Continuous Offer Period

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

The Scheme will reopen for subscription/redemption within 5 Business Days from the date of allotment.

2. Plans and Options offered under the Scheme

<table>
<thead>
<tr>
<th>Plan</th>
<th>Options Available</th>
<th>Sub-Option</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regular Plan and Direct Plan</td>
<td>Growth (Option A)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Dividend (Option B)</td>
<td>Payout Dividend &amp; Reinvest Dividend</td>
</tr>
</tbody>
</table>

3. Minimum amount for Application/Redemption

- First Purchase and Subsequent Purchase: Rs. 1,000/- and any amount thereafter
- SIP Purchase: Rs. 500/- and any amount thereafter
- Minimum amount for Redemption*: Rs. 500/-

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

4. Ongoing price for subscription (Purchase Price)

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

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

Purchase Price = Applicable NAV

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

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

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

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

Illustration:

Say, Applicable NAV = Rs. 12.0000 and the Exit Load is 0.50%,
Redemption Price = 12 x (1-0.005) = Rs. 11.9400.

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

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

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

In respect of valid applications with outstation cheques/demand drafts not payable at par at the place where the application is received and time-stamped, closing NAV of the day on which cheque/demand draft is credited shall be applicable.

The NAV applicability will be subject to following clauses for purchase/subscription of equal to or greater than Rs. 2 Lakhs in the Scheme.

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

Cut-off time
(This is the time before which your application (complete in all respects) should reach the official points of acceptance)

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

(b) Redemption /Switch-out

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Applicable NAV</th>
</tr>
</thead>
<tbody>
<tr>
<td>Where the application is received on any Business Day at the official points of acceptance of transactions upto 3.00 p.m</td>
<td>NAV of the same day</td>
</tr>
<tr>
<td>Where the application is received after 3.00 p.m.</td>
<td>NAV of the next Business Day.</td>
</tr>
</tbody>
</table>

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

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

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

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

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

7. Where can the applications for purchase/redemption/ switch be submitted?

All transaction requests can be submitted at any of the official points of acceptance of transactions, the addresses of which are given at the end of this SID. Stock brokers registered with
recognized stock exchanges and empanelled with the AMC shall also be considered as ‘official points of acceptance of transactions.

8. Allotment

Full allotment will be made to all valid applications received. Allotment to NRIs/FIs will be subject to RBI approval, if required. Subject to the SEBI (MF) Regulations, the Trustee may reject any application received in case the application is found invalid/incomplete or for any other reason in the Trustee's sole discretion. All allotments will be provisional, subject to realization of payment instrument and subject to the AMC having been reasonably satisfied about receipt of clear funds.

Any redemption or switch out transaction in the interim is liable to be rejected at the sole discretion of the AMC. In case of cheque returns, the Mutual Fund will send the copy of the returned cheque and bank return memo by normal post within 15 days of the Registrar having received, at it’s registered office, the physical and the return memo. The Mutual Fund will not be responsible for any loss or damage to the applicant on account of any delay in informing him/her/it about the return of the cheque, where such delay is caused by the clearing mechanisms of banks and clearing houses involved in realization of cheques.

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

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

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

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

The minimum balance to be maintained at all times in the Scheme shall be Rs. 1000/-. The Mutual Fund may, at its discretion and without any notice, redeem the balance Units in the Scheme (in a particular folio), if the value of such balance Units falls below Rs. 1000/- and not less than 6 months have elapsed since his/her/its first investment in the Scheme.

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

10. Special facilities available

(i) Systematic Investment Plan (SIP)

Investors can, benefit by investing specific Rupee amounts periodically for a continuous period through SIP. SIP allows investors to invest a fixed amount of Rupees on specific dates every month or quarter by purchasing Units of the Scheme at the Purchase Price prevailing at such time.

Investors can enroll themselves for SIP (minimum 12 installments) by ticking the appropriate box in the application form and filling up the relevant SIP form specifying the amount, period and SIP date i.e. 1st, 7th, 14th, 21st or 28th as the case may be, of the period concerned.

Investors can opt for the SIP facility through various modes of payment, viz. ‘post dated cheques’, ECS Debit’, ‘auto debit’, ‘standing instructions with banks’, or any other facility as may be introduced by the AMC from time to time. However, AMC reserves the rights to discontinue any
existing payment facility without any prior notice and in such event, AMC will discontinue future SIPS under the said facility and will inform the investors via normal post.

Where the SIP facility is started by way of post dated cheques, the first cheque may be of a date earlier than the SIP date and the AMC may at its discretion based on processing capability, process the first transaction under SIP on a date before the SIP date. If any cheque submitted under an SIP, bears a date different from the SIP date opted for by the investor concerned, and such date succeeds the relevant SIP date, the application is liable to be rejected. However, the Mutual Fund may, at its discretion, process such SIP cheque on the immediately succeeding 1st, 7th, 14th, 21st or 28th, of the month concerned/succeeding quarter, as the case may be.

SIP investment is also available through Stock Exchange Mechanism. An investor desiring to start SIP through MFSS of NSE can approach a NSE Trading Member™/Participant to register SIP in the Scheme and provide his demat account details for credit of Units.

The AMC may change the terms and conditions for SIP from time to time, due to changing market and operational conditions. Investors are advised to check the latest terms and conditions from any of the offices of the AMC, before investing. Also, terms and conditions of various payment facilities will be mentioned in the relevant SIP form.

Unit Holders should note that they can opt for an SIP only if they have returned Unit certificates, if any, issued to them. Units will be allotted at the Applicable NAV as on the SIP Date opted for by the investor. Where such SIP Date is not a Business Day, Units will be allotted at the Applicable NAV of the immediately succeeding Business Day.

On receipt of the SIP form, the Registrar will send a letter to the Unit Holder confirming the registration details of SIP. Also, the first account statement under SIP shall be issued within 10 working days of the initial investment. For details on provision pertaining to issue of account statement, please see section, ‘11. Account Statement.’

An investor will have the right to discontinue the SIP any time he/she/it so desires, subject to giving 30 days prior notice to the Registrar.

(ii) Systematic Withdrawal Plan (SWP)

During the Continuous Offer, a Unit Holder may, through SWP, receive regular payments by way of withdrawals from the Scheme (in the said folio) on a weekly, monthly or quarterly basis and the request should be for at least 6 such withdrawals. A Unit holder may avail of SWP by ticking the appropriate box in the application form and filling up the SWP form, specifying the ‘SWP Date’ and period. Where the mode of holding is “any one or survivor”, any of the joint holders may issue an SWP instruction, as above, and such instruction shall be binding on all the joint owners.

To start an SWP, the Unit Holder should submit the SWP form at least 7 days prior to the first desired SWP date. To discontinue the SWP, the Unit Holder should provide at least 30 days written notice to the Investor Service Centres of AMC/Registrar at its office in Chennai.

A Unit Holder who opts for an SWP has the choice of withdrawing (i) a fixed amount or (ii) an amount equal to the periodic appreciation on his/her/its investment in the Scheme, as detailed below:

i) Fixed Amount: Under this alternative, a Unit Holder may withdraw a fixed amount of at least Rs. 500/- per transaction on the ‘SWP Date’.

ii) Appreciation: Under this alternative, a Unit Holder may withdraw on a weekly, monthly or quarterly basis, an amount equal to the weekly, monthly or quarterly appreciation, as the case may be, on his/her/its investment in the Scheme, provided the appreciation is at least Rs. 500/-. Therefore, the number of Units redeemed will be in proportion to the appreciation in investment over the week, month or quarter concerned, as the case may be. Where, in any week, month or quarter, there is no appreciation in investment, or the appreciation is less than Rs. 500/-, the withdrawal, as mentioned above, will not be carried out.

The ‘SWP Date’ can be 1st, 7th, 14th, 21st, 28th or all five dates of the period concerned. However, the first withdrawal may be of a date earlier than the SWP Date and the AMC may at its discretion based on processing capability, process the first transaction under SWP on a date before the SWP
In case the SWP Date happens to be a non-Business Day, the transaction will be processed on the immediately succeeding Business Day. A Unit Holder will have the right to discontinue/modify the SWP any time he/she/it so desires, subject to giving 30 days prior notice to the Registrar. The Mutual Fund may terminate the SWP, if all the Units concerned are liquidated or withdrawn from the account or pledged or upon the Mutual Fund’s receipt of notification of death or incapacity of the Unit Holder. In addition to the above, the Mutual Fund may, at its discretion and without any notice, redeem the balance Units in the Scheme (in a particular folio) if the value of the balance Units in the Scheme (in a particular folio) falls below Rs. 1000/- and at least 6 months have elapsed since his/her/its first investment in the Scheme. The Investment Manager may change the rules relating to this facility from time to time. All terms and conditions for SWP, including Exit Load, if any, prevailing in the date of SWP enrolment/registration by the fund shall be levied in the Scheme.

(iii) Systematic Transfer Plan (STP)

During the Continuous Offer, a Unit Holder may transfer, through STP; part of his/her/its investment in the Scheme (in the said folio) into any other scheme of the Mutual Fund on a weekly, monthly or quarterly basis, and the request should be for at least 6 such transfers. The transfer will be effected by way of a switch, i.e. redemption of Units from the Scheme and investment of the proceeds thereof, in the other scheme, at the then prevailing terms of both schemes. Therefore, all provisions pertaining to Inter-scheme switching will apply to an STP (Please refer to “Switching for detailed provisions on switching”). Also, provisions pertaining to Entry and Exit Load in STP will be as applicable in SIP. All transactions by way of STP shall, however, be subject to the terms (other than minimum application amount) of the target scheme.

A Unit Holder may avail of STP by ticking the appropriate box in the application form and filling up the STP form, specifying the ‘STP Date’ and period. Where the mode of holding is “any one or survivor”, any of the joint holders may issue a systematic transfer instruction, as above, and such instruction shall be binding on all the joint owners. Unit Holders should note that they can opt for an STP only if they have returned Unit certificates, if any, issued to them.

To start an STP, the Unit Holder should submit the STP form at least 7 days prior to the desired STP date. To discontinue the STP, the Unit Holder should provide at least 30 days written notice to the Registrar at its office in Chennai.

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

i) Fixed Amount

Under this alternative, a Unit Holder may switch a fixed amount of at least Rs. 500/- per transaction on the ‘STP Date’

ii) Appreciation

Under this alternative, a Unit Holder may switch on a weekly, monthly or quarterly basis, an amount equal to the weekly, monthly or quarterly appreciation, as the case may be, on his/her/its investment in the Scheme from which transfer is sought, provided the appreciation is at least Rs. 1000/-. Therefore, the number of Units transferred will be in proportion to the appreciation in investment over the week, month or quarter concerned, as the case may be. Where, in any week, month or quarter, there is no appreciation in investment, or the appreciation is less than Rs. 1000/-, the switch, as mentioned above, will not be carried out.

The ‘STP Date’ can be 1st, 7th, 14th, 21st, 28th or all five dates of the period concerned. However, the first transfer may be of a date earlier than the STP Date and the AMC may at its discretion based on processing capability, process the first transaction under STP on a date before the STP Date.

In case the STP Date happens to be a non-Business Day, the transaction will be processed on the day which is the immediately succeeding Business Day for both the schemes. The Mutual Fund may terminate the STP, if all the Units concerned are liquidated or withdrawn from the account or pledged or upon the Mutual Fund’s receipt of notification of death or incapacity of the Unit Holder. In addition to the above, the Mutual Fund may, at its discretion and without any notice, redeem the balance Units in the Scheme (in a particular folio) if the value of the balance Units in the Scheme
(in that particular folio) falls below Rs. 1000/-, and at least 6 months have elapsed since his/her/its first investment in the Scheme.

The Investment Manager may change the rules relating to this facility from time to time. Unit Holders are requested to read the SID of the concerned schemes to which STPs are requested before indicating the choice of STP.

(iv) Switching

A switch has the effect of redemption from one scheme/option and purchase in the other scheme/option to which the switching has been done. During the Continuous Offer, Unit Holders can switch their Units in the Scheme into any other scheme of the Mutual Fund (i.e. switch out) and investors can switch their Units in any other scheme of the Mutual Fund into the Scheme.

To effect a switch, a Unit Holder must provide clear instructions. Such instructions may be provided in writing or by completing the transaction slip/form attached to the account statement or telephonically, by providing PIN number. The switch request can be made for any amount of Rs. 500/- or more. A Unit Holder may request for switch of a specified amount or a specified number of Units only. If the Unit Holder has specified both the amount (in Rs.) and the number of Units, switch out of units will be carried out based on the number of units specified by the Unit Holder.

Valid switch applications received and time-stamped up to the relevant cut-off time on any Business Day will be considered accepted on that Business Day, subject to the request being complete in all respects and provided the day is a Business Day for both the switch in and switch out schemes. When a switching request is received after the relevant cut-off time, the request will be deemed to have been received on the next day which is a Business Day for both the schemes. The switch will be effected by way of redemption of Units of the relevant scheme/option and reinvestment of the redemption proceeds in the other scheme/option selected by the Unit Holder on the prevailing terms of the said scheme/option. Applications for 'switch-in' shall be treated as purchase applications and the Applicable NAV based on the cut-off time for purchase shall be applied. Applications for 'switch-out' shall be treated as redemption applications and the Applicable NAV based on the cut off time for redemption shall be applied. Investors may note that no entry load will be levied on direct applications for switch-in transactions in the Scheme.

All allotments will be provisional, subject to realization of payment instrument and subject to the AMC having been reasonably satisfied that the Mutual Fund has received clear funds. Any redemption or switch-out transaction in the interim is liable to be rejected at the sole discretion of the AMC.

Investors may note that switch facility is currently not provided to investors who wish to transact through the stock exchange mechanism.

(a) Inter-Scheme Switching

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

The price at which the Units will be switched out of the Scheme will be based on the Redemption Price on the Business Day of acceptance of switching request and the net proceeds will be invested in the other scheme(s) at the prevailing Purchase Price for Units in that/those scheme(s). Please see Section. ‘VI. B. 5. Redemption Price’.

(b) Inter-Plan Switching

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

(c) Inter-Option Switching
Unit Holders have the option of switching all or part of their investments from one Option of the Scheme to the other Option. The switch will be effected by way of a redemption of Units of the relevant Option and investment of the redemption proceeds in the other Option. The price at which the Units will be switched out will be the Applicable NAV on the Business Day of acceptance of switching request and the net proceeds will be invested in the other Option at the Applicable NAV of that Option.

Note: Switch facility is not available in the Stock Exchange mechanism. Investors may change scheme/options by routing the transaction as a normal buy and sell transaction through the Stock Exchange mechanism.

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

For PIN related terms and conditions, investors are requested to refer www.dspblackrock.com.

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

(vi) Pledge of Units for Loans
Units can be pledged by the Unit Holders as security for raising loans, subject to any rules/restrictions that the Trustee may prescribe from time to time. The Registrar will take note of such pledge/charge in his records. A standard form for this purpose is available on request at any of the official points of acceptance of transactions.

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

In case of Units held in physical form, the Registrar will note and record such pledge. A standard form for this purpose is available on request with the Registrar.

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

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

For DTP related terms and conditions, investors are requested to refer the DTP Form available at the Official Point of Acceptance of AMC/CAMS and also available on www.dspblackrock.com.

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

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

For complete details of the scheme/plan/option, terms and conditions of this Facility, Investors are requested to refer Key Information Memorandum (‘KIM’) of My Target Value Savings Account available at the Official Point of Acceptance of AMC/ Computer Age Management Services Pvt. Ltd (‘CAMS’), Registrar & Transfer Agent of the Fund and also available on www.dspblackrock.com.

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

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

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

This Facility enables Unit holder(s) of the Fund to start Systematic Investment Plan (SIP) or invest lump sum amounts in any Scheme of the Fund by sending instructions through Transaction forms, online facility, Short Messaging Service (‘SMS’)/call from their registered mobile phone number on a dedicated number specified by the AMC. This Facility is only available to Unit holder(s) of the Fund who have been assigned a folio number by the AMC.

Unit Holder/s who were registered under m-Invest facility will automatically get registered under this Facility. Unit Holders are requested to note that the m-Invest facility is discontinued by AMC effective from December 16, 2013 onwards. Unit Holder(s) are requested to note that the AMC reserves the right to amend the terms and conditions, or modify, or discontinue the Facility for existing as well as prospective investors at anytime in future.

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

11. Account Statements

- Consolidated account statement (CAS)^ shall be sent for each calendar month within 10th day of the succeeding month to the investors in whose folios transactions have taken place during that month. Transactions for the purpose of CAS include all financial transactions viz. purchase, redemption, switch, dividend payout, dividend reinvestment, SIP, SWP, STP and bonus transactions with respect to Units held in physical form.
- The statement sent within the time frame mentioned above is provisional and is subject to realisation of payment instrument and/or verification of documents, including the application form, by the Registrar/AMC.
- A consolidated account statement shall be sent every half yearly (September/ March), on or before 10th day of succeeding month, detailing holding at the end of the six month, to all such investors in whose folios there have been no transactions during that period.
- For Unit Holders who have provided an e-mail address, the statement will be sent by e-mail.
- The Unit Holder may request for a duplicate statement by writing to/calling the AMC/Registrar.

^Consolidated Account Statement (CAS) shall contain details relating to all the transactions carried out by the investor across all schemes of all mutual funds during the month and holding at the end of the month including transaction charges paid to the distributor with respect to Units held in physical form.
In the event the folio has more than one registered holder, the first named Unit holder shall receive the CAS.

For the purpose of CAS, common investors across mutual funds shall be identified on the basis of PAN. Accordingly, investors whose folio(s) are not updated with PAN shall not receive CAS. Investors are therefore requested to ensure that their folio(s) are updated with PAN. Further, consolidation shall be based on the common sequence/order of investors in various folios across mutual funds.

Account Statements shall be non-transferable. Despatch of account statements to NRIs/FIIs will be subject to RBI approval, if required. They shall not be construed as proof of title and are only computer printed statements indicating the details of transactions under the Scheme during the current financial year and giving the closing balance of Units for the information of the Unit Holder.

Non-transferable Unit Certificates will be sent, if an applicant so desires, within 5 Business days of the receipt of a request for the certificate. Unit Certificates will not be issued for any fractional Units entitlement. Units held, either in the form of account statement or Unit Certificates, are non-transferable. The Trustee reserves the right to make the Units transferable at a later date subject to SEBI (MF) Regulations issued from time to time.

Where investor desires to hold Units in dematerialized form, demat statement shall be provided by the depository participant in such form and in such manner and at such time as provided in the agreement with the beneficial owner. The statement provided by the depository participant will be equivalent to an account statement, and no further statement shall be issued by the Mutual Fund.

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

13. Redemption
Units can be redeemed (sold back to the Mutual Fund) at the relevant Redemption Price. The redemption requests can be made on the pre-printed forms (transaction slip/common transaction form) or by using the form at the bottom of the account statement. The redemption request can be submitted at any of the Official Points of Acceptance of transaction, the details of which are mentioned at the end of this SID. As all allotments are provisional, subject to realization of payment instrument and subject to the AMC having been reasonably satisfied that the Mutual Fund has received clear funds, any redemption or switch out transaction in the interim is liable to be rejected at the sole discretion of the AMC.

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

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

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

Redemption or repurchase proceeds shall be dispatched to Unit Holders within 10 working days from the date of redemption or repurchase. However, under normal circumstances, the Mutual Fund will
endeavour to despatch the redemption proceeds, by courier, where such facilities are available, within 3 Business Days from the date of acceptance of the redemption request at any of the official points of acceptance of transaction. Unit holders are advised to submit their requests for change in bank mandate atleast 10 days prior to date of redemption/dividend payment, if any. The AMC reserves the right to extend/modify the timelines on a case to case basis. Any unregistered bank account or a new bank account mentioned by the Unit holder along with the redemption request shall not be considered for payment of redemption /dividend proceeds.

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

The Mutual Fund may, at its discretion and without any notice, redeem the balance Units in the Scheme (in a particular folio) if the value of the balance Units in the Scheme (in a particular folio) falls below Rs. 1000/- and at least 6 months have elapsed since his/her/its first investment in the Scheme.

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

**Redemption by NRIs and FIIs**

Credit balances in the account of an NRI/FII investor may be redeemed by such investors in accordance with the procedure described above and subject to the procedures laid down by RBI, if any. Such redemption proceeds will be paid by means of a Rupee cheque payable to the NRI's/FIIs or by a foreign currency draft drawn at the then rates of exchange less bank charges, subject to RBI procedures and approvals.

**Effect of Redemption**

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

**Fractional Units**

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

**Redemption by investors transacting through the Stock Exchange mechanism**

Investors who wish to transact through the stock exchange shall place orders for redemptions as currently practiced for secondary market activities. Investors must submit the Delivery Instruction Slip to their Depository Participant on the same day of submission of redemption request, within such stipulated time as may be specified by NSE/BSE, failing which the transaction will be rejected. Investors shall seek redemption requests in terms of number of Units only and not in Rupee amounts. Redemption amounts shall be paid by the AMC to the bank mandate registered with the

Redemption by investors who hold Units in dematerialized form
Redemption request for Units held in demat mode shall not be accepted at the offices of the Mutual Fund/AMC/Registrar. Unit holders shall submit such request only through their respective Depository Participant.

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

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

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

1. Original cancelled cheque having the First Holder Name printed on the cheque [or]
2. Original bank statement reflecting the First Holder Name, Bank Account Number and Bank Name as specified in the application [or]
3. Photocopy of the bank statement / bank pass book duly attested by the bank manager and bank seal preferably with designation and employee number [or]
4. Photocopy of the bank statement / passbook / cancelled cheque copy duly attested by the AMC/ RTA branch officials after verification of original bank statement / passbook / cheque shown by the investor or their representative [or]
5. Confirmation by the bank manager with seal, on the bank’s letter head with name, designation and employee number confirming the investor details and bank mandate information.

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

16. Process for change of address
The self attested copies of the following documents shall be submitted along with duly filled in "Change of address form":

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

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

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

17. Multiple Bank Accounts Registration Facility

In compliance to AMFI Best Practice Guidelines, AMFI circular No. 17/10-11 dated October 22, 2010, the Mutual Fund offers its Unit holders, facility to register multiple bank accounts for pay-in & payout purposes and designate one of the registered bank account as “Default Bank Account”. Individuals, HUFs, Sole proprietor firms can register upto five bank accounts and a non-individual investor can register upto ten bank accounts in a folio. This facility can be availed by using a designated “Bank Accounts Registration Form” available at Investor Service Centers and Registrar and Transfer Agent’s offices. In case of first-time investors, the bank account mentioned on the purchase application form, will be treated as default bank account till a separate request to register multiple bank accounts and change the default bank account to any of other registered bank account is submitted by such investor.

Registered bank accounts may also be used for verification of pay-ins (i.e. receiving of subscription funds) to ensure that a third party payment is not used for mutual fund subscription. The default bank account will be used for all dividends and redemptions payouts unless Unit holder(s) specifies one of the existing registered bank account in the redemption request for receiving redemption proceeds. However, in case Unit holder(s) do not specify the default account, the Mutual Fund reserves the right to designate any of the registered bank accounts as default bank account.

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

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

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

18. Non acceptance of third party payment

In accordance with PMLA and AMFI guidelines dated August 16, 2010 on ‘Risk mitigation process against Third-Party Cheques in mutual fund subscriptions’, applications to scheme accompanied by a Third Party payment will not be accepted on and after November 15, 2010, except in the following cases:

- Payments not exceeding Rs. 50,000/- (regular purchase or single SIP installment) made by Parents/Grand Parents/Related Person* on behalf of minor in consideration of natural love and affection or as gift. However this restriction will not be applicable for payment made by a guardian whose name is registered in the records of Mutual Fund in that folio.
- Payment made by an Employer on behalf of employee.
- Custodian making investments on behalf of a FII/Client.
- Payment by Asset Management Company to a Distributor empanelled with it on account of commission/incentive etc. in the form of the Mutual Fund Units of the Funds managed by such AMC through Systematic Investment Plans or lump sum / one-time subscription, subject to compliance with SEBI Regulations and Guidelines issued by AMFI, from time to time.
‘Related Persons’ means any person investing on behalf of minor in consideration of natural love or affection or as a gift.

“Third Party Payment” refers to payment made from a bank account other than that of the investor. For a payment to be not considered as a third party payment, the sole holder or the 1st holder of the folio (depending upon whether the folio is ‘singly’ or ‘jointly’ held) must be one of the joint holders of the bank account from which payment is made.

In case the payment falls under the abovementioned exceptions, the following additional documents will be required to be provided together with the application form, failing which the application will be rejected/not processed/refunded without interest:

- KYC Acknowledgment letter (as issued by CDSL Ventures Limited) of the Investor and the person making the payment; and
- A duly filled “Third Party Payment Declaration Form” from the Investor (guardian in case of a minor) and the person making the payment. The said form shall be available on the Mutual Fund’s website and at Investor Service Centers (ISCs). The Declaration form shall, inter alia, contain the details of bank account from which the payment is made and the relationship with the investor(s). Investors are requested to use the standard forms available and not make any changes to the forms. Any form that is not in the prescribed format will not be accepted as valid.

Investors must mention the bank account number, bank name and branch address from where the payment is issued on the application form. These details should match with the details on payment cheque/document (as applicable). In case the bank account holder’s name/s is not pre-printed on the payment instrument, investor should attach bank pass book copy/bank statement/letter from bank certifying that the investor maintains an account with the bank, in order substantiate that the first named Unit holder is one of the joint holders of the bank account. In case subscription is made through demand draft/pay order/banker’s cheque, etc., such instrument should be accompanied with anyone of the following:

- a certificate from the issuing banker, stating the account holder’s name and the account number which has been debited for issue of the instrument, or
- a copy of the acknowledgement from the bank, wherein the instructions to debit carry the bank account details and name of the investor as an account holder.
- a copy of the passbook/bank statement evidencing the debit for issuance of the demand draft.

The AMC reserves a right to reject the transaction or call for additional details, if payment bank account and other details are not mentioned in the application form and/or do not match with payment instrument and/or necessary documents/declaration are not attached or are insufficient. In case the funds are transferred to the Mutual Fund account prior to the application rejection, then amount transferred may not be refunded or redeemed unless the investor establishes KYC with additional documentation.

19. Cash Investments in mutual funds

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

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

ii. sufficient systems and procedures in place.

However, payment towards redemptions, dividend, etc. with respect to aforementioned investments shall be paid only through banking channel.
20. Trading in Units through Stock Exchange mechanism

The Units of the Scheme may be transacted in dematerialized form through the stock exchange mechanism. Please refer “Trading in Units through Stock Exchange mechanism” under ‘A. New Fund Offer Details’.

C. PERIODIC DISCLOSURES

| **Net Asset Value** | The AMC will declare separate NAV under Regular Plan and Direct Plan of Scheme. The first NAV will be calculated and declared within 5 Business days from the date of allotment. Thereafter, the Mutual Fund shall declare the NAV of the Scheme on every Business Day, on AMFI’s website www.amfiindia.com, by 9.00 p.m. and also on www.dspblackrock.com. The NAV of the Scheme will be published by the Mutual Fund in at least two daily newspapers, on every Business Day. In case of delay, the reasons for such delay would be explained to AMFI in writing. If the NAVs are not available before commencement of business hours on the following day due to any reason, the Mutual Fund shall issue a press release giving reasons and explaining when the Mutual Fund would be able to publish the NAVs. |
| **Half yearly Disclosures: Portfolio** | Full portfolio in the prescribed format shall be disclosed either by publishing it in one national English daily newspaper circulating in the whole of India and in a newspaper published in the language of the region where the Head office of the Mutual Fund is situated or by sending it to the Unit Holders within one month from the end of each half-year, that is as on March 31 and September 30. It shall also be displayed on www.dspblackrock.com. |
| **Half Yearly Financial Results** | The Mutual Fund shall, before the expiry of one month from the close of each half year, (i.e. March 31 and September 30) shall display the unaudited financial results on www.dspblackrock.com, the advertisement in this reference will be published by the Fund in atleast one English daily newspaper having nationwide circulation and in a newspaper having wide circulation published in the language of the region where the Head Office of the Fund is situated. |
| **Annual Report** | The annual report of the Scheme or the Annual Report or an abridged summary thereof, will be sent to all Unit Holders not later than four months from the date of the closure of the relevant financial year i.e. March 31 each year (i) by email only to all Unit holders whose e-mail addresses are available with the Mutual Fund and (ii) in physical form to the Unit holders whose e-mail addresses are not available with the Mutual Fund and/or to those Unit holders who have opted/requested for the same.

Whenever the report is sent in a the abridged form, the full annual report will be available for inspection at the registered office of the Trustee and a copy made available on request to the Unit Holders. The Annual Report shall also be displayed on www.dspblackrock.com, a link to which is displayed prominently on the homepage of the Mutual Fund’s website. Investors are requested to register their email addresses with the Mutual Fund. |
| **Monthly Portfolio Disclosure** | The monthly portfolio of the Scheme shall be available in a user-friendly and downloadable format on the website viz. [www.dspblackrock.com](http://www.dspblackrock.com) on or before |
the tenth day of succeeding month.

**Associate Transactions**

Please refer the SAI.

**Investor services**

Investors may contact any of the Investor Service Centers (ISCs) of the AMC for any queries / clarifications, may call on 1800-200-4499 (toll free), e-mail: service@dsblackrock.com. Mr. Gaurav Nagori has been appointed as the Investor Relations Officer. He can be contacted at DSP BlackRock Investment Managers Private Limited Natraj, Office Premises No. 302, 3rd Floor, M V Road Junction, W. E. Highway, Andheri - East, Mumbai - 400069, Tel.: 022 - 67178000. For any grievances with respect to transactions through stock exchange mechanism, Unit Holders must approach either stock broker or the investor grievances cell of the respective stock exchange.

### Taxation

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

#### I. Income Tax Rates and Withholding Rates (TDS)

<table>
<thead>
<tr>
<th>Category of units</th>
<th>Tax Rates* under the Act</th>
<th>TDS Rates* under the Act</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Residents</td>
<td>NRI/PIOs &amp; Other Non-resident other then FIIs/FPIs</td>
</tr>
<tr>
<td></td>
<td>(Residents)</td>
<td>(NRI/PIOs &amp; Other Non-resident other then FIIs/FPIs)</td>
</tr>
<tr>
<td>Short Term Capital Gains</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Units of a non-equity oriented Scheme</td>
<td>Taxable at normal rates of tax applicable to the assessee</td>
<td>In respect of non-resident non-corporate Taxable at normal rates of tax applicable to the assessee. In respect non-resident corporate -40%.</td>
</tr>
<tr>
<td>Units of an equity oriented Scheme (listed and unlisted)</td>
<td>15% on redemption of Units where STT is payable on redemption (u/s 111A)</td>
<td>Nil</td>
</tr>
<tr>
<td>Long Term Capital Gain</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Listed units of a non-equity oriented Scheme**</td>
<td>20% with indexation , (u/s 112)</td>
<td>20% with indexation, (u/s 112)</td>
</tr>
<tr>
<td>Unlisted units of a non-equity oriented Scheme**</td>
<td>20% with indexation , (u/s 112)</td>
<td>10% with no indexation and no exchange fluctuation</td>
</tr>
<tr>
<td>Units of an equity oriented Scheme</td>
<td>Exempt in case of redemption of Units where STT is payable on redemption (u/s 10(38))</td>
<td></td>
</tr>
</tbody>
</table>
*plus surcharge as applicable: - in the case of a domestic company @ 5% and in the case of every company, other than a domestic company @ 2% (if their total income exceeds rupees 1,00,00,000/- but does not exceed Rs.10,00,00,000/-) in case of income exceeds Rs.10,00,00,000/- for domestic company @ 10% and for company other than domestic company @ 5%. In case of firms, co-operative societies, local authorities, Individuals/HUFs/BOIs/AOPs and Artificial juridical persons @ 10% (if their total income exceeds rupees 1,00,00,000/-). Plus education cess and secondary and higher education cess: 3%.

** Capital gains on redemption of units held for a period of more than 36 months from the date of allotment as amended by Finance (No.2) Act, 2014

Any person entitled to receive any sum or income or amount, on which tax is deductible under Chapter XVIIB (hereafter referred to as deductee) on or after 1st April 2010, shall furnish his Permanent Account Number to the person responsible for deducting such tax (hereafter referred to as deductor), failing which tax shall be deducted at the higher of the following rates, namely:

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

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

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

II. Tax on distributed income to unit holders (U/S 115R)

As per section 10(35) of the Act, income received in respect of the units of a Mutual Fund specified under section 10(23D) of the Act, is exempt in the hands of the unit holders. However, The Fund would be required to pay a distribution tax on income distributions as at the following rate as under:

<table>
<thead>
<tr>
<th>Category of Scheme/Investors</th>
<th>Rate*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debt Oriented Fund:</td>
<td></td>
</tr>
<tr>
<td>- Unit holder is individual / HUF</td>
<td>25.00%</td>
</tr>
<tr>
<td>- Unit holder is any other person</td>
<td>30.00%</td>
</tr>
<tr>
<td>Infrastructure Debt Fund</td>
<td></td>
</tr>
<tr>
<td>- Non- Resident Unit holder other than foreign company</td>
<td>5%</td>
</tr>
<tr>
<td>- Unit holder is foreign company</td>
<td>5%</td>
</tr>
</tbody>
</table>

#plus surcharge of 10 % on such tax and education cess of 3% on such tax and surcharge

As per the amendment made by The Finance (No.2) Act, 2014, w.e.f. 1st October 2014, for the purposes of determining the distribution tax payable in accordance with sub-section (2) of section 115R, the amount of distributed income referred therein shall be increased to such amount as would, after reduction of the additional income-tax on such increased amount at the rate specified in sub-section (2) of section 115R, be equal to the amount of income distributed by the Mutual Fund.

D. COMPUTATION OF NAV

NAV of Units under each Scheme will be calculated by following method shown below:

Market or Fair Value of Scheme’s Investments + Current Assets - Current Liabilities and Provisions
NAV (Rs.) = No. of Units outstanding under the Scheme

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

The first NAV will be calculated and announced within 5 Business Days from the date of allotment. Subsequently, the NAV of the Scheme will be published in at least two daily newspapers, on every Business Day.

Note: There will be more than one NAV, one for each option, after the declaration of the first dividend.
SECTION VII. FEES AND EXPENSES

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

A. NFO EXPENSES

These expenses are incurred for the purpose of various activities related to the NFO like sales and distribution fees paid marketing and advertising, registrar expenses, printing and stationary, bank charges etc. The NFO expenses of floating the Scheme will be borne by the AMC.

B. ANNUAL SCHEME RECURRING EXPENSES

These are the fees and expenses for operating the Scheme. These expenses include Investment Management and Advisory Fee charged by the AMC, Registrar’s fee, marketing and selling costs etc., as given in the table related to estimated annualized recurring expenses as a % of daily net assets of the Scheme.

The Scheme may be charged with the approval of the Trustee within overall limits as specified in the SEBI (MF) Regulations except those expenses which are specifically prohibited. The annual total of all charges and expenses of the scheme shall be subject to the following limits, which under Regulation 52:

Maximum limit of recurring expenses under Regulation 52 are as under:

<table>
<thead>
<tr>
<th>Slab Rates</th>
<th>As a % of daily net assets as per Regulation 52(6) (c)</th>
<th>Additional TER as per Regulation 52 (6A) (c)^</th>
<th>Additional TER as per Regulation 52 (6A) (b)^</th>
</tr>
</thead>
<tbody>
<tr>
<td>On the first Rs.100 Crores</td>
<td>2.50%</td>
<td>0.20%</td>
<td>0.30%</td>
</tr>
<tr>
<td>On the next Rs.300 Crores</td>
<td>2.25%</td>
<td>0.20%</td>
<td>0.30%</td>
</tr>
<tr>
<td>On the next Rs.300 Crores</td>
<td>2.00%</td>
<td>0.20%</td>
<td>0.30%</td>
</tr>
<tr>
<td>On the balance of the assets</td>
<td>1.75%</td>
<td>0.20%</td>
<td>0.30%</td>
</tr>
</tbody>
</table>

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

a. Additional expenses upto 0.30 per cent of daily net assets of the Scheme, if new inflows from such cities as may be specified by SEBI (MF) Regulations from time to time are at least:
   (i) 30 per cent of gross new inflows in the Scheme, or;
   (ii) 15 per cent of the average assets under management (year to date) of the Scheme, whichever is higher.

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

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

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

c. Additional expenses incurred towards different permissible heads, not exceeding 0.20 percent of daily net assets of the Scheme.
In addition to expenses under Regulation 52 (6) and (6A), AMC may charge service tax on investment and advisory fees, expenses other investment and advisory fees and brokerage and transaction cost as below:

1. Service Tax on investment and advisory fees: AMC may charge service tax on investment and advisory fees of the scheme in addition to the maximum limit of TER as per the Regulation 52(6) and (6A).
2. Service Tax on expenses other investment and advisory fees: AMC may charge service tax on expenses other than investment and advisory fees of the scheme, if any within the maximum limit of TER as per the Regulation under 52(6) and (6A).
3. Service Tax on brokerage and transaction cost: The service tax on brokerage and transaction costs which are incurred for the purpose of execution of trade, will be within the limit of TER as per the Regulation 52(6) and (6A).

Further, it is clarified that the brokerage and transaction cost incurred for the purpose of execution of trade may be capitalized to the extent of 0.12 percent and 0.05 percent for cash market transactions and derivatives transactions respectively. Any payment towards brokerage and transaction cost, over and above the said 12 bps and 5bps for cash market transactions and derivatives transactions respectively may be charged to the scheme within the maximum limit of Total Expense Ratio (TER) as prescribed under regulation 52 of the SEBI (MF) Regulations. Any expenditure in excess of the said prescribed limit (including brokerage and transaction cost, if any) shall be borne by the AMC or by the trustee or sponsors.

The AMC has estimated following recurring expenses, as summarized in the below table for each scheme. The expenses are estimated on a corpus size of Rs. 100 crores and have been made in good faith as per the information available to the AMC. The total expenses may be more or less than as specified in the table below. Expenses over and above the presently permitted regulatory limit will be borne by the AMC. The below expenses are subject to inter-se change and may increase/decrease as per actuals, and/or any change in the Regulations.

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

<table>
<thead>
<tr>
<th>Sr No.</th>
<th>Expense Head</th>
<th>% of daily Net Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Regular Plan</td>
</tr>
<tr>
<td>(i)</td>
<td>Investment Management and Advisory Fees</td>
<td>Upto 2.50%</td>
</tr>
<tr>
<td>(ii)</td>
<td>Trustee fee *</td>
<td></td>
</tr>
<tr>
<td>(iii)</td>
<td>Audit fees</td>
<td></td>
</tr>
<tr>
<td>(iv)</td>
<td>Custodian fees</td>
<td></td>
</tr>
<tr>
<td>(v)</td>
<td>RTA Fees</td>
<td></td>
</tr>
<tr>
<td>(vi)</td>
<td>Marketing &amp; Selling expense incl. agent commission^</td>
<td></td>
</tr>
<tr>
<td>(vii)</td>
<td>Cost related to investor communications</td>
<td></td>
</tr>
<tr>
<td>(viii)</td>
<td>Cost of fund transfer from location to location</td>
<td></td>
</tr>
<tr>
<td>(ix)</td>
<td>Cost of providing account statements and dividend redemption cheques and warrants</td>
<td></td>
</tr>
<tr>
<td>(x)</td>
<td>Costs of statutory Advertisements</td>
<td></td>
</tr>
<tr>
<td>(xi)</td>
<td>Cost towards investor education &amp; awareness (at least 0.02 percent)</td>
<td></td>
</tr>
<tr>
<td>(xii)</td>
<td>Brokerage &amp; transaction cost over and above 0.12 percent and 0.05 percent for cash and derivative market trades respectively</td>
<td></td>
</tr>
<tr>
<td>(xiii)</td>
<td>Service tax on expenses other than investment and advisory fees</td>
<td></td>
</tr>
<tr>
<td>(xiv)</td>
<td>Service tax on brokerage and transaction cost#</td>
<td></td>
</tr>
<tr>
<td>(a)</td>
<td>Maximum total expense ratio (TER) permissible under Regulation 52 (6) (c) (i) and (6) (a)</td>
<td>Upto 2.50%</td>
</tr>
<tr>
<td>(b)</td>
<td>Additional expenses under regulation 52 (6A) (c)$</td>
<td>Upto 0.20%</td>
</tr>
<tr>
<td>(c)</td>
<td>Service tax on investment and advisory fees</td>
<td>0%</td>
</tr>
<tr>
<td>(d)</td>
<td>Additional expenses for gross new inflows from specified cities</td>
<td>Upto 0.30%</td>
</tr>
</tbody>
</table>
The Trusteeship fees as per the provisions of the Trust Deed are subject to a maximum of 0.02% of the average net Trust Funds per annum. It has been decided by the Trustee to charge the Trusteeship Fees in proportion to the net assets of each of the Scheme of the Mutual Fund. The Trustee reserves the right to change the method of allocation of Trusteeship fees among various Schemes, from time to time.

The expense under Direct Plan shall not include the distributor and commission expenses including Agent Commission which is charged under Regular Plan.

Service tax on brokerage and transaction cost, over and above 0.12 percent and 0.05 percent for cash market transactions and derivatives transactions respectively charged to the Scheme will be part of Total Expense Ratio limit as defined above.

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

Service tax on brokerage and transaction cost borne by the Scheme.

Expense Structure for Direct Plan - The annual recurring expenses will be within the limits specified under the SEBI (Mutual Funds) Regulations, 1996.

However, Direct Plan will have lower expense ratio than Regular Plan of the Scheme. The expenses under Direct Plan shall at least exclude the distribution and commission expenses. The Total Expense Ratio of Direct Plan will be lower by at least XX% of the Total Expense Ratio (Mentioned in row (a) of the aforesaid table) charged to Regular Plan of the Scheme.

The above expense structures are indicative in nature. The purpose of the above table is to assist the investor in understanding the various costs & expenses that the investor in the Scheme will bear directly or indirectly. Actual expenses could be lower than mentioned above.

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

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

C. LOAD STRUCTURE

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

The following load structure will be applicable to the Scheme both the plans:

| Entry Load (Applicable during New Fund Offer and Continuous Offer) | Not Applicable |
| Exit Load #(as a % of Applicable NAV) | Holding period from date of allotment: |
| | <=30 calendar days - 0.50% |
| | > 30 calendar days - Nil |

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

Note on load exemptions:

1. There will be no Exit Load on inter-option switching.
2. No load will be charged on issue of bonus Units and Units allotted on reinvestment of dividend for existing as well as prospective investors.

Switch of investment from the Regular Plan, where the transaction has been received with broker code to Direct Plan shall be subject to applicable exit load. In such cases, after the switch, in case of subsequent redemption or switch-out to another scheme, no exit load would be levied.
No exit load shall be levied:

a. In case of switch of investment from Regular Plan, where transaction has been received without broker code to Direct Plan.

b. In case of switch of investments from Direct Plan to Regular Plan.

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

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

(i) Addendum detailing the changes will be attached to the SID and Key Information Memorandum (KIM).
(ii) Arrangements will be made to display the addendum to the SID in the form of a notice in all the ISCs/offices of the AMC/Registrar.
(iii) A public notice shall be given in respect of such changes in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of region where the Head Office of the Mutual Fund is situated.

Investors are advised to contact any of the Investor Service Centers or the AMC to know the latest position on Exit Load structure prior to investing in the Scheme.

D. TRANSACTION CHARGE

Transaction Charges on purchase/subscription received from first time mutual fund investors and investor other than first time mutual fund investors through the distributor/agent (who have opted to receive the transaction charges) shall be deducted by the AMC from the subscription amount and paid to the distributor and balance shall be invested as under:

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

(ii) **Investor other than First Time Mutual Fund Investor:**
Transaction charge of Rs. 100/- per subscription of Rs. 10,000 and above will be deducted from the subscription amount and paid to the distributor/agent (provided the distributor has Opt-In for this charge cum facility) of the investor and the balance shall be invested.

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

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

As per SEBI circular no. SEBI/IMD/CIR No. 4/ 168230/09, dated June 30, 2009, upfront commission to distributors shall continue to be paid by the investor directly to the distributor by a separate cheque based on his assessment of various factors including the service rendered by the distributor.
The AMC shall deduct the Transaction charges on purchase/subscription of Rs, 10, 000/- and above received from first time mutual fund investors and investors other than first time mutual fund investors through the distributor/agent based on the type of product opted-in by the distributor to receive transaction charges.

SECTION VIII. RIGHTS OF UNITHOLDERS

Please refer to SAI for details.

SECTION IX. PENALTIES AND PENDING LITIGATION

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

1. Details of all monetary penalties imposed and/or action taken during the last three years or pending with any financial regulatory body or governmental authority, against Sponsor(s) and/or the AMC and/or the Board of Trustees/Trustee Company; for irregularities or for violations in the financial services sector, or for defaults with respect to share holders or debenture holders and depositors, or for economic offences, or for violation of securities law. Details of settlement, if any, arrived at with the aforesaid authorities during the last three years:

- On October 3, 2012, BlackRock reached an agreement with the U.S. Department of Labor (“DOL”) to reimburse clients $2,661,513 in connection with certain trades the DOL alleged violated Title I of the Employee Retirement Income Security Act (“ERISA”). BlackRock also agreed to pay to the DOL a $266,151.30 penalty.

- On January 14, 2013, BlackRock and Switzerland’s Federal Department of Finance (“FDF”) reached an agreement in principal to resolve a matter concerning BlackRock’s inadvertent late filing of reports relating to BlackRock’s ownership of equity securities of Swiss companies. Without admitting any liability, BlackRock agreed to pay a fine of CHF 500,000 (US$536,000), in exchange for the FDF terminating the inquiry into the matter. BlackRock and the FDF are in the process of negotiating the terms of the settlement.

- On July 12, 2013, BlackRock was notified by the Italian Financial Service Authority (“CONSOB”) that CONSOB intends to fine BlackRock in connection with a late threshold report from September 2012 in Italian issuer, Prysmian S.P.A. BlackRock paid a fine of €10,000 to CONSOB to settle the matter.

- On December 27, 2013, the German securities regulator, BaFin, imposed a fine on BlackRock Investment Management (UK) of approximately $301,000 in relation to its non-compliance with German thresholds reporting regulations.

- In July 2012 the New York Attorney General’s Office (“NYAG”) sent BlackRock two subpoenas for information regarding BlackRock’s use of analyst surveys. BlackRock uses analyst surveys, primarily in the Scientific Active Equity (“SAE”) group, to solicit public information about issuers from sell-side research analysts for use in SAE’s quantitative investment models.

Since July 2012, BlackRock responded to numerous requests for information and made several presentations to the NYAG so as to submit that the surveys were appropriate and lawful. On January 8, 2014, BlackRock entered into a settlement with the NYAG. The agreement does not impose any fine or other penalty on BlackRock. The agreement does, however, find that BlackRock violated New York’s state securities law. BlackRock does not admit or deny the allegations, and has also agreed to pay the AG’s $400,000 cost of investigation.

- On December 29, 2012, Italian securities regulator Consob imposed a fine of 150,000 Euro (S204,600) on BlackRock for incorrect disclosure of a reduction in stake in Italian Bank UniCredit
• On July 4, 2014, BlackRock Inc. paid a fine of SEK 1 mio (equivalents to $1,46,000) with respect to a late threshold reporting /disclosure in Sweden.

• On July 21, 2014, BlackRock Institutional Trust Company, National Association (BTC) (BlackRock Inc. entity) agreed to pay $1,654,710/- to Securities Exchange Commission (United States) as penalty for disgorgement and interest with respect to three violations of Rule 105.

2. Details of all enforcement actions taken by SEBI in the last three years and/ or pending with SEBI for the violation of SEBI Act, 1992 and Rules and Regulations framed there under including debarment and/or suspension and/or cancellation and/or imposition of monetary penalty/adjudication/enquiry proceedings, if any, to which the Sponsor(s) and/or the AMC and/or the Board of Trustees /Trustee Company and/or any of the directors and/or key personnel (especially the fund managers) of the AMC and Trustee Company were/ are a party:

NONE.

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

NONE.

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

NONE.

Undertaking from Trustees

The Trustees have ensured that DSP BlackRock Arbitrage Opportunities Fund, approved by them, is a new product offered by DSP BlackRock Mutual Fund and is not a minor modification of any existing scheme/fund/product. DSP BlackRock Arbitrage Opportunities Fund has been approved by the Trustees vide Resolution dated September 8, 2014.

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

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

Sd/- Sd/-
Shitin D. Desai S.S. Thakur
Chairman Director

Place: Mumbai
Date: _____________
<table>
<thead>
<tr>
<th>City</th>
<th>Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agra</td>
<td>Shanta Tower, Office No. 12, 1st Floor, Block No. E-14, 16, Sanjay Place, Agra-282003.</td>
</tr>
<tr>
<td>Ahmedabad</td>
<td>3rd EYE ONE, Office No. 301, 3rd Floor, Opposite Havmor Restaurant, C. G Road, Panchavati, Ahmedabad-380006.</td>
</tr>
<tr>
<td>Bangalore</td>
<td>HM Geneva House, Office No. 104A-107, 1st Floor, Plot No. 14, Cunningham Road, Bangalore-560052.</td>
</tr>
<tr>
<td>Bhopal</td>
<td>Star Arcade, Office No. 302, 3rd Floor, Plot No. 165A and 166, Zone-1, M.P Nagar, Bhopal-462011.</td>
</tr>
<tr>
<td>Bhubaneshwar</td>
<td>Lotus House, Office No. 3, 2nd Floor, 108/A, Kharvel Nagar, Unit III, Master Canteen Square, Bhubaneshwar-751001.</td>
</tr>
<tr>
<td>Chandigarh</td>
<td>SCO2471-72, 1st Floor, Sector 22-C, Chandigarh-160022.</td>
</tr>
<tr>
<td>Chennai</td>
<td>Alamelu Terraces, Office No. 163, 3rd Floor, Anna Salai, Chennai-600002.</td>
</tr>
<tr>
<td>Coimbatore</td>
<td>Tristar Towers, 657, East Wing, 1st Floor, Avinashi Road, Coimbatore-641037.</td>
</tr>
<tr>
<td>Dehradun</td>
<td>NCR Plaza, Ground Floor, Office No. G12/A, (No.24A) (New No.112/28, Ravindranath Tagore Marg), New Cantt Road, Habibarakala, Dehradun-248001.</td>
</tr>
<tr>
<td>Goa</td>
<td>Mathias Plaza, 4th Floor, 18th June Road, Panjim, Goa-403001.</td>
</tr>
<tr>
<td>Guwahati</td>
<td>Mayur Gardens, Office No. 5, Upper Ground floor, G. S Road, Near ABC Bus Stop, Guwahati-781005.</td>
</tr>
<tr>
<td>Hubli</td>
<td>Sona Chambers, South Wing, Office No. 3, Ground Floor, Club Road, Hubli-580020.</td>
</tr>
<tr>
<td>Hyderabad</td>
<td>Mahavir Chambers, Office No.103, 1st Floor, Himayatnagar, Liberty Junction, Hyderabad-500029.</td>
</tr>
<tr>
<td>Indore</td>
<td>Starlit Tower, Office No. 206, 2nd Floor, 29/1, Y. N Road, Opp. S. Bindore Head Office, Indore-452001.</td>
</tr>
<tr>
<td>Jaipur</td>
<td>Green House, Office No. 201 to 204, 2nd Floor, O-15, Ashok Marg, Above Axis Bank, C Scheme, Jaipur-302001.</td>
</tr>
<tr>
<td>Jamshedpur</td>
<td>Shanti Niketan, 2nd Floor, Main Road, P. O Bistupur, Jamshedpur-831001.</td>
</tr>
<tr>
<td>Jodhpur</td>
<td>Keshav Bhawan, Ground Floor, Office No. 2, Chopasni Road, Near HDFC Bank, Jodhpur-342003.</td>
</tr>
<tr>
<td>Kanpur</td>
<td>KAN Chambers, Office No. 701-703, 7th Floor, 14/113, Civil Lines, Kanpur-208001.</td>
</tr>
<tr>
<td>Kochi</td>
<td>Amrittha Towers, Office No. 40/1045 H1, 6th Floor, Opp. Maharajas College Ground, M. G Road, Kochi-682011.</td>
</tr>
<tr>
<td>Kolkata</td>
<td>ShagunMallBuilding, 10-A, 4th Floor, Shakespeare Sarani, Kolkata-700071.</td>
</tr>
<tr>
<td>Lucknow</td>
<td>Speed Motors Building, 3rd Floor, 3 Shanazaf Road, Hazratganj, Lucknow-226001.</td>
</tr>
<tr>
<td>Ludhiana</td>
<td>SCO-29, 1st Floor, Feroze Gandhi Market, Pakhowal Road, Ludhiana-141001.</td>
</tr>
<tr>
<td>Mangalore</td>
<td>Maximus Commercial Complex, Office No. UGI-5, Upper Ground Floor, Light House Hill Road, Opp. KMC, Mangalore-575001.</td>
</tr>
<tr>
<td>Mumbai</td>
<td>NATRAJ, Office No. 302, 3rd Floor, Plot No-194, M V Road Junction, Western Express Highway, Andheri (East), Mumbai-400069.</td>
</tr>
<tr>
<td>Nathiagudi</td>
<td>Milestone, Office No. 108B/109, 1st Floor, Ramdas Peth, Wardha Road, Nagpur-440010.</td>
</tr>
<tr>
<td>Nashik</td>
<td>Bedmutha’s Navkar Heights, Office No. 1 &amp; 2, 3rd Floor, New Pandit Colony, Sharapur Road, Nasik-422005.</td>
</tr>
<tr>
<td>New Delhi (UF)</td>
<td>Dr Gopal Das Bhavan, Upper Ground Floor, 28 Barakhamba Road, New Delhi-110001.</td>
</tr>
<tr>
<td>Patna</td>
<td>Office No L309 &amp; L310, Third Floor, Dumraon Place, Frazier Road, Patna-800001.</td>
</tr>
<tr>
<td>Pune</td>
<td>City Mall, 1st Floor, Office No. 109(A,B,C), University Square, University Road, Pune-411007.</td>
</tr>
<tr>
<td>Raipur</td>
<td>Millennium Plaza, Office No. 21, 3rd Floor, Plot No.13, Behind Indian Coffee House, G. E. Road, Raipur-492002.</td>
</tr>
<tr>
<td>Rajkot</td>
<td>Hem Arcade, Office No. 303, 3rd Floor, Opposite Swami Vivekanand Statue, Dr. Yagnik Road, Rajkot-360001.</td>
</tr>
<tr>
<td>Ranchi</td>
<td>Shrilok Complex, Office No. 106 &amp; 109, 1st Floor, Plot No-1999 &amp; 2000, 4, Hazaribagh Road, Ranchi-834001</td>
</tr>
<tr>
<td>Surat</td>
<td>International Trade Centre (ITC), Office No. G-28, Ground Floor, Majura Gate Crossing, Ring Road, Surat-395002.</td>
</tr>
<tr>
<td>Trivandrum</td>
<td>Menamthottam Chambers, TC-2442(7), 2nd Floor, Pattom PO, Thiruvananthapuram-695004</td>
</tr>
<tr>
<td>Vapi</td>
<td>Bhihaji Regency, Office No. 3, 1st Floor, Opposite DCB Bank, Vapi - Silvasa Road, Vapi-396195.</td>
</tr>
<tr>
<td>Varanasi</td>
<td>Arihant Complex, 7th Floor, D-64/127, C-H, Sisga, Varanasi-221010.</td>
</tr>
<tr>
<td>Vizag</td>
<td>Shop No 304 A, VRC Complex, 47-15-14/15, Rajajee Nagar, Dwaraka Nagar, Visakhatpatnam-530016. NEW ADDRESS - TEMPORARY FOR 3 MONTHS.</td>
</tr>
</tbody>
</table>

SCSBs
Please visit the website www.sebi.gov.in for the list of SCSBs. You may also check with your bank for the ASBA facility.