

NOTICE

DSP BLACKROCK MUTUAL FUND

Notice is hereby given to the unit holders of DSP BlackRock Mutual Fund regarding the following:

DSP BlackRock Mutual Fund ("Fund") was set up as a trust under the Indian Trust Act, 1882. The sponsors to the Fund are DSP ADIKO Holdings Pvt. Ltd and DSP HMK Holdings Pvt. Ltd. (collectively referred as "DSP entities") and BlackRock, Inc.

DSP BlackRock Investment Managers Pvt. Ltd. ("AMC") is the asset management company to the Fund. DSP BlackRock Trustee Company Pvt. Ltd. ("Trustee Company") acts as the trustee to the Fund. The AMC and Trustee Company both are registered as private limited companies and were incorporated under the Companies Act, 1956.

The AMC has an issued and paid up share capital of Rs. 20 crores of which, 60% shareholding interest is controlled by Mr. Hemendra Kothari through the DSP entities, while the remaining 40% shareholding interest is controlled by BlackRock Inc. through its subsidiary, BlackRock Advisors Singapore Pte. Ltd. ("BASPL"). Further, the Trustee Company has an issued and paid up share capital of Rs. 1 lakh of which, 51% shareholding interest is controlled by Mr. Hemendra Kothari through the DSP entities and the remaining 49% shareholding interest is controlled by BlackRock, Inc. through BASPL.

BlackRock, Inc. and the DSP Group have now mutually agreed to terminate their joint venture relationship with BASPL selling its shareholding interests in the AMC and the Trustee Company to the DSP Group ("Proposed Transaction"). As a result of the Proposed Transaction, the DSP entities alongwith Ms. Aditi Kothari Desai and Ms. Shuchi Kothari shall own 100% of the shares of the AMC. DSP Entities to own 100% of the shares of the Trustee Company.

The Proposed Transaction will be completed subject to receipt of relevant regulatory approvals.

The Proposed Transaction and change in controlling interest of the AMC has been approved by the Board of Directors of AMC and Trustee Company on May 7, 2018. Further, SEBI vide its letter Ref. No. SEBI/HO/IMD/DF5/OW/P/2018/18772/1 dated July 3, 2018 granted its no-objection to the aforesaid change in controlling interest of the AMC and SEBI vide its letter Ref. No. SEBI/HO/IMD/DF5/OW/P/2018/18771/1 dated July 3, 2018 granted its approval for the consequential amendments to the Deed of Trust for the Fund (collectively referred to as "SEBI Approval") under the provisions of SEBI (Mutual Funds) Regulations, 1996 ("MF Regulations").

i. Details in relation to the Proposed Transaction are set out below:

DSP ADIKO Holdings Pvt. Ltd. and DSP HMK Holdings Pvt. Ltd. are private limited companies incorporated in 1983 under the Companies Act, 1956 and are also registered with the Reserve Bank of India as non deposit taking Non-Banking Finance Companies. These companies have been functioning as investment companies.

Financial Performance of DSP ADIKO Holdings Pvt. Ltd. and DSP HMK Holdings Pvt. Ltd. (Past three years):

Particulars	Period	Net Worth (INR Crores)	Total Income (INR Crores)	Profit after Tax (INR Crores)
DSP Adiko Holdings Pvt. Ltd	Apr 16-Mar 17	1064	77	52
	Apr 15-Mar 16	1012	50	21
	Apr 14-Mar 15	991	75	56
DSP HMK Holdings Pvt. Ltd.	Apr 16-Mar 17	1094	89	62
	Apr 15-Mar 16	1031	51	19
	Apr 14-Mar 15	1013	78	59

ii. Expected Benefits from the Proposed Transaction:

The DSP Group, headed by Mr. Hemendra Kothari, is one of the oldest and most respected financial services firms in India, having commenced its stock broking business in the 1860s. The earlier generation of the family was among the founding members of the Bombay Stock Exchange in the 1870s. Over the past 152 years, the family behind the DSP Group has been very influential in the growth and professionalization of capital markets and money management business in India.

Two decades ago, the DSP Group saw a significant opportunity and began its journey in the asset management space. The group has created wealth for lakhs of investors and because of its client's trust; DSP BlackRock, the joint venture between the DSP Group and BlackRock, Inc., formed in 2008, is counted among India's most respected investment management firms.

Over the past 152 years, the DSP Group has flourished in the financial services space in India. The group has evolved over the years – from stock broking in the 1860s, investment banking in the 1970s to wealth and asset management from the 1990s. During the journey, the group has gained substantial international experience from its tie-ups with Dresdner Bank AG, Banque Francaise Du Commerce Exterieur (BFCE), Swiss Bank Corporation (now UBS), Merrill Lynch and BlackRock, Inc. DSP group has stood the test of time by successfully adapting to changing market scenarios.

With the proposed exit of BlackRock, Inc. from the joint venture, the DSP Group is now embarking on a new exciting phase. The focus and the core tenets of the DSP Group's philosophy remain intact:

- The conviction in India's growth story
- The singular focus on asset management in a scientific, professional, process driven manner
- The unwavering belief in managing the investors' money with the right values and principles. Discipline, ethics, integrity, analytical rigour and risk management are the core pillars of the group, on which the group aims to deliver good investment outcomes for its investors.
- DSP Groups constant focus is on fostering a collaborative environment for smart, innovative and ambitious people to do their best work
- DSP Groups innate culture and DNA will drive value for our investors

DSP Group is very excited and eagerly looking forward to this next phase of journey ahead. Our team is aligned in values, thinks big and has set the highest standards, which gives the belief that the DSP Group's future will be bright. DSP Group assures the investors that their interest will always be at the core of its business and will always maintain a relentless focus on doing what's best for its investor.

iii. Changes pursuant to the Proposed Transaction:

The following key changes will occur pursuant to / on the completion of the Proposed Transaction:

- DSP entities along with Ms. Aditi Kothari Desai and Ms. Shuchi Kothari shall buy the minority stake of BASPL in the AMC and the minority stake of BASPL in the Trustee Company will be bought by DSP entities. Consequently, the aggregate stake of DSP entities along with Ms. Aditi Kothari Desai and Ms. Shuchi Kothari will increase to 100% in the AMC and the aggregate stake of DSP entities will increase to 100% in Trustee Company;
- BlackRock, Inc. will cease to be the co-sponsor of Fund; the DSP entities will continue to be the sponsors of the Fund;
- Directors of the AMC and the Trustee Company, nominated by BASPL will resign from the Board of the AMC;
- DSP BlackRock Mutual Fund will be renamed as "DSP Mutual Fund" and each scheme of the Fund will be renamed to replace the words "DSP BlackRock" with the word "DSP"
- Subject to receipt of the necessary approvals, the names of the AMC and Trustee Company will be changed to "DSP Investment Managers Pvt. Ltd." and "DSP Trustee Pvt. Ltd.", respectively, or such other name as may be approved by the Registrar of Companies, Maharashtra, Mumbai;
- Consequent to the above changes, the corporate logo, corporate materials and documents will undergo changes to reflect the new names of Fund, AMC and Trustee Company;
- Statement of Additional Information of the Fund ('SAI'), Scheme Information Documents ('SID'), Key Information Memorandums ('KIM') and other relevant documents (if any) relating to the existing schemes of the Fund will be amended and updated to reflect the changes pursuant to the Proposed Transaction. Please note that the schemes will continue to be governed by the SAI of the Fund and their respective SIDs and there will be no change in any of the fundamental attributes or other terms and conditions governing the schemes as a result of the Proposed Transaction;
- Certain amendments will be effected to the Deed of Trust dated December 16, 1996 ("Original Trust Deed") as amended by the Supplemental Trust Deeds executed from time to time (collectively referred as "Trust Deed").

Amendments to the Trust Deed will be effected by execution of a Fifth Supplemental Trust Deed between the Trustee Company, BlackRock, Inc. and DSP ADIKO Holdings Pvt. Ltd. and DSP HMK Holdings Pvt. Ltd., to record DSP ADIKO Holdings Pvt. Ltd. and DSP HMK Holdings Pvt. Ltd. as the sponsors of the Fund and for cessation of BlackRock, Inc. as the co-sponsor of the Fund. Details of the proposed amendments to the Trust Deed are set out in Exhibit I to the written communication dated July 9, 2018 which is being sent to all unit holders of Fund ("Exit Option Letter")

iv. Approval for amendment of the Trust Deed

As provided in the MF Regulations, the Trust Deed and SID of schemes of the Fund / SAI of the Fund, no amendment to the Trust Deed shall be carried out without the prior approval of the unit holders of the Fund (such approval may be obtained by way of a postal ballot or such other means as may be approved by SEBI).

As such, pursuant to the SEBI Approval, approval of the unit holders of the schemes of the Fund for the aforesaid amendments to the Trust Deed is being sought through an exit option process under this notice and the Exit Option Letter. A copy of the Trust Deed is available at the registered office of the AMC at Mafatal Centre, 10th Floor, Nariman Point, Mumbai - 400 021 should you wish to review the same.

v. Notice to Unit Holders in relation to (i) Change in the Controlling Interest of the AMC pursuant to the Proposed Transaction and (ii) amendment to Trust Deed

While the aforesaid changes will not affect the basic characteristic of the schemes of the Fund nor constitute any change in fundamental attributes of the schemes of the Fund including their investment objective, Regulation 22(e) of the MF Regulations requires that for a change in the controlling interest of an asset management company, in this case the AMC, (i) a written communication about the proposed change must be sent to each unit holder and an advertisement must be given in one English daily newspaper having nationwide circulation and in a newspaper published in the language of the region where the head office of the mutual fund is situated; and (ii) the unit holders must be given an option to exit at the prevailing net asset value ("NAV") without any exit load for a period of 30 days.

Pursuant to Clause 17 of the Third Schedule of the MF Regulations and Clause 27.1 of the Original Trust Deed, prior approval of SEBI and the unit holders of the Fund is required for amending the Trust Deed.

Accordingly, in accordance with MF Regulations, and pursuant to the SEBI Approval, this notice serves as a communication to the unit holders of the schemes of the Fund about (i) the change in controlling interest of the AMC and (ii) amendment to the Trust Deed of the Fund, pursuant to the Proposed Transaction and hereby grants an option to the unit holders of the schemes of the Fund to exit his / her/ its investment in the scheme(s) of the Fund at the prevailing NAV without exit load, if any, if they do not choose to continue with their investments in the scheme(s) of the Fund post the Proposed Transaction or disapprove the amendments to the Trust Deed.

The option to exit without exit load can be exercised from July 14, 2018 to August 13, 2018 upto 3.00 p.m. (both days inclusive) ("Exit Option Period"). All transaction requests received after 3.00 p.m. of August 13, 2018 will be subject to exit load, as may be prevailing at that time in the respective schemes.

The redemption warrant/cheque will be mailed or the amount of redemption will be credited to the unit holder's bank account (as registered in the records of the Fund) within 10 (ten) working days from the date of receipt of the redemption request. The option to redeem/switch without exit load during the Exit Option Period can be exercised in the following manner:

(a) For units held in schemes/plans other than DSP BlackRock Tax Saver Fund:

Unit holders can submit redemption/switch request on any business day during Exit Option Period at the Official Points of Acceptance of transactions (list available at www.dsblackrock.com) or to depository participant (in case of units held in electronic (demat) mode). The redemption/switch requests received will be processed at the prevailing NAV as per the provisions contained in the SID of the respective schemes of the Fund without any exit load.

(b) For units held in DSP BlackRock Tax Saver Fund:

Please note that the exit option is available to all the unit holders of DSP BlackRock Tax Saver Fund, an open ended equity linked savings scheme other than unit holders whose units are under the statutory lock-in period i.e. under Section 80C of the Income-tax Act, 1961. The statutory lock-in period, being 3 years from the date of allotment, arises out of the scheme being classified as Equity Linked Savings Scheme (ELSS) with tax benefits.

The offer to exit is merely an option and is not mandatory. If you choose to continue with your investments in the scheme(s) of the Fund post the Proposed Transaction and have no objection to the proposed amendment to Trust Deed, no action needs to be taken by you. Please note that unit holders who do not opt for redemption/switch on or before August 13, 2018 upto 3.00 p.m. shall be deemed to have consented to the changes specified in this notice (including the aforesaid amendment to the Trust Deed of the Fund) and shall continue to hold units in the schemes of the Fund. If you disagree with these changes, you may redeem/switch the units in the respective schemes of the Fund by exercising the exit option, without exit load, within the Exit Option Period by filling out the redemption/switch slip provided in Exhibit III of the exit option letter or by filling the transaction slips and submitting the same at any of our designated Official Points of Acceptance of transactions (list available at www.dsblackrock.com) or to depository participant (in case of units held in demat mode) on or before August 13, 2018 up to 3.00 p.m.

With a view to enable you to make a well-informed decision, the condensed financial information of the schemes of the Fund is available on our website www.dsblackrock.com by accessing the following link <https://www.dsblackrock.com/QUICK-LINKS/mandatory-disclosures> or investors may submit a request for physical copy on any business day at the nearest Investor Service Centre of the AMC or of the Registrar (list available at www.dsblackrock.com) or send an email to service@dsblackrock.com or by calling our toll free number 1800 200 4499.

Unit Holders who have pledged their units will need to procure a release of pledge prior to submitting any redemption/switch request. In case a lien is marked on units held by a unit holder or units have been frozen/locked pursuant to an order of a governmental authority or a court, redemption/switch can be executed only after the lien/order is vacated/revoked within the period specified above.

Unit holders should ensure that their change in address or pay-out bank details are updated in records of DSP BlackRock Mutual Fund as required by them, prior to exercising the exit option for redemption/switch of units.

The expenses (including Securities Transaction Tax) related to the Proposed Transaction and other consequential changes as outlined above will not be charged to the unit holders of the schemes of the Fund. As regards unit holders who redeem/switch their investments during the Exit Option Period, the tax consequences as set forth in the SAI of the Fund and SID of the respective scheme(s) would apply.

Redemption/switch of units from the Scheme, during the exit period, may entail capital gain/loss in the hands of the Unit holder. Similarly, in case of NRI investors, TDS shall be deducted in accordance with the applicable Tax laws, upon exercise of exit option and the same would be required to be borne by such investor only. **In view of individual nature of tax implications, unit holders are advised to consult their tax advisors. For details on Tax implications, please refer to SID of the Scheme and SAI available on our website www.dsblackrock.com.**

Details of unclaimed redemption and dividend amounts and procedure for claiming unclaimed dividend / redemption amounts by unit holders as of June 30, 2018 is given in Exhibit II of the Exit Option Letter.

In case of any queries, investors may write at service@dsblackrock.com or call at 1800 200 4499.

In case, the exit option letter is not received, the Unit holders can contact the Investor Service Centers of the AMC or Registrar (list available at www.dsblackrock.com). The exit option letter is also available at www.dsblackrock.com

**Any queries/clarifications in this regard may be addressed to:
DSP BlackRock Investment Managers Pvt. Ltd.**

CIN: U74140MH1996PTC099483
Investment Manager for DSP BlackRock Mutual Fund
Mafatal Centre, 10th Floor, Nariman Point, Mumbai - 400 021.
Tel. No.: 91-22 66578000, Fax No.: 91-22 66578181
Toll Free No: 1800 200 4499, www.dsblackrock.com

Place: Mumbai
Date: July 9, 2018

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