

**SCHEME INFORMATION DOCUMENT**



**DSP S&P BSE LIQUID RATE ETF**

An open ended scheme replicating/ tracking S&P BSE Liquid Rate Index. A relatively low interest rate risk and relatively low credit risk.

This Product is suitable for investor who are seeking\*

- Current income with high degree of liquidity
- Investment in Tri-Party REPO, Repo in Government Securities, Reverse Repo and similar other overnight instruments

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

| Riskometer <sup>#</sup>                                                            |                                                                                     |
|------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|
| Scheme                                                                             | Benchmark<br>S&P BSE Liquid Rate Index                                              |
|  |  |

(#For latest Riskometers, investors may refer on the website of the fund viz. [www.dspim.com](http://www.dspim.com))

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

**Potential Risk Class Matrix:** The potential risk class matrix of DSP S&P BSE Liquid Rate ETF based on interest rate risk and credit risk is as follows:

| Potential Risk Class        |                             |                       |                              |
|-----------------------------|-----------------------------|-----------------------|------------------------------|
| Credit Risk →               | Relatively Low<br>(Class A) | Moderate<br>(Class B) | Relatively High<br>(Class C) |
| Interest Rate Risk ↓        |                             |                       |                              |
| Relatively Low (Class I)    | A-I                         | -                     | -                            |
| Moderate (Class II)         | -                           | -                     | -                            |
| Relatively High (Class III) | -                           | -                     | -                            |

Offer of Units of Rs. 1000/- each, issued at a premium approximately equal to the difference between face value and Allotment Price during the New Fund Offer and at NAV based prices on an on-going basis

**New Fund Offer of:**

**DSP S&P BSE Liquid Rate ETF**

**Opens on: March 15, 2024**

**Closes on: March 20, 2024**

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

|                                  |                                                            |
|----------------------------------|------------------------------------------------------------|
| Name of Mutual Fund              | :DSP Mutual Fund                                           |
| Name of Asset Management Company | :DSP Asset Managers Private Limited                        |
| CIN                              | :U65990MH2021PTC362316                                     |
| Name of Trustee Company          | :DSP Trustee Private Limited                               |
| CIN                              | :U65991MH1996PTC100444                                     |
| Addresses of the entities        | :Mafatlal Centre, 10th Floor, Nariman Point, Mumbai 400021 |
| Website                          | : <a href="http://www.dspim.com">www.dspim.com</a>         |

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

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

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

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

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

This Scheme Information Document is dated February 29, 2024

**BSE Disclaimer:**

BSE Limited ("the Exchange") has given vide its letter LO/IPO/BS/MF/IP/89/2023-24 dated February 07, 2024 permission to DSP Mutual Fund to use the Exchange's name in this SID as one of the Stock Exchanges on which this Mutual Fund's Unit are proposed to be listed. The Exchange has scrutinized this SID for its limited internal purpose of deciding on the matter of granting the aforesaid permission to DSP Mutual Fund. The Exchange does not in any manner: i) warrant, certify or endorse the correctness or completeness of any of the contents of this SID; or ii) warrant that this scheme's unit will be listed or will continue to be listed on the Exchange; or iii) take any responsibility for the financial or other soundness of this Mutual Fund, its promoters, its management or any scheme or project of this Mutual Fund; and it should not for any reason be deemed or construed that this SID has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any unit of DSP S&P BSE Liquid Rate ETF of this Mutual Fund may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

**NSE Disclaimer:**

As required, a copy of this Scheme Information Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter NSE/LIST/5649 dated January 31, 2024 permission to the Mutual Fund to use the Exchange's name in this Scheme Information Document as one of the stock exchanges on which the Mutual Fund's units are proposed to be listed subject to, the Mutual Fund fulfilling various criteria for listing. The Exchange has scrutinized this Scheme Information Document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to the Mutual Fund. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the Scheme Information Document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Scheme Information Document; nor does it warrant that the Mutual Fund's units will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of the Mutual Fund, its sponsors, its management or any scheme of the Mutual Fund. Every person who desires to apply for or otherwise acquire any units of the Mutual Fund may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

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| <b>HIGHLIGHTS/SUMMARY OF THE SCHEME</b>             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|-----------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Scheme Name</b>                                  | DSP S&P BSE Liquid Rate ETF                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>Category of the Scheme</b>                       | Exchange Traded Fund (ETF)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>Type of Scheme</b>                               | An open ended scheme replicating/tracking S&P BSE Liquid Rate Index. A relatively low interest rate risk and relatively low credit risk.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>Scheme Code</b>                                  | DSPM/O/O/DET/24/02/0073                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>BSE &amp; NSE Script Code/Symbol</b>             | (To be inserted after Scheme is listed)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>Investment Objective</b>                         | <p>The Scheme seeks to provide returns before expenses that correspond to the returns of S&amp;P BSE Liquid Rate Index, subject to tracking errors.</p> <p><b>There is no assurance that the investment objective of the Scheme will be achieved.</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>Plans and Options available under the Scheme</b> | <p>There are no plans under the Scheme. The scheme offers only Growth Option.</p> <p>The Trustees/ AMC reserves the right to introduce further Plan/ Options as and when deemed fit, subject to the SEBI (MF) Regulations.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Liquidity facility</b>                           | <p><b>On the Exchange</b></p> <p>The units are proposed to be listed on Stock Exchange to provide liquidity through secondary market. The units of the Scheme can be bought / sold on all trading days on the National Stock Exchange of India Limited or BSE Limited or any other stock exchange where the Scheme is proposed to be listed.</p> <p>The price of the Units in the secondary market on the Stock Exchange(s) will depend on demand and supply at that point of time. The AMC will appoint Market Maker(s) to provide liquidity in secondary market on an ongoing basis. The Market Maker(s) would offer daily two-way quote in the market.</p> <p><b>Directly with the Mutual Fund</b></p> <p>The Scheme offers units for subscription / redemption directly with the Mutual Fund in creation unit size to Market Makers / and Large Investors, at NAV based prices on all Business Days during an ongoing offer period.</p> <p>Further, in terms of clause 3.6.2.2 of SEBI Master circular no. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2023/74 dated May 19, 2023 (SEBI Master Circular), investors can also directly approach AMC for redemption of units for transaction of more than Rs. 25 Crore subject to creation of unit size</p> <p>Investors can also directly approach AMC for redemption of units for transaction of upto Rs. 25 crore without any exit load if:</p> <ol style="list-style-type: none"> <li>Traded price (closing price) of the ETF units is at discount of more than 1% to the day end NAV for 7 continuous trading days, or</li> <li>No quotes for such ETFs are available on stock exchange(s) for 3 consecutive trading days, or</li> <li>Total bid size on the exchange is less than half of creation units size daily, averaged over a period of 7 consecutive trading days.</li> </ol> <p>The above instances shall be tracked by the AMC on an ongoing basis and in case if any of the above mentioned scenario arises the same shall be disclosed on the website of the AMC i.e. <a href="http://www.dspim.com">http://www.dspim.com</a>.</p> <p>In case of the above scenarios, applications received from investors for redemption up to 3.00 p.m. on any trading day, shall be processed by the AMC at the closing NAV of the day.</p> |

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| <b>Dematerialization</b>           | <p>The Units of the Scheme are available only in dematerialized (electronic) form. Investors intending to invest in Units of the Scheme will be required to have a beneficiary account with a Depository Participant (DP) of the NSDL/CDSL and will be required to mention in the application form DP's Name, DP ID No. and Beneficiary Account No. with the DP at the time of purchasing Units in ongoing offer directly from the fund in Creation Unit Size. In case the demat details are not mentioned in the application or the mentioned details are incorrect / incomplete/illegible/ambiguous, such applications will be rejected.</p> <p>The Units of the Scheme will be issued, traded and settled compulsorily in dematerialized (electronic) form.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>Benchmark Index</b>             | S&P BSE Liquid Rate Index                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>Transparency/NAV disclosure</b> | <p>The first NAV will be calculated and declared within 5 Business days from the date of allotment. Thereafter, the Mutual Fund shall declare the NAV of the Scheme on every Business Day, on AMFI's website (<a href="http://www.amfiindia.com">www.amfiindia.com</a>), by 11.00 p.m. and website of the AMC (<a href="http://www.dspim.com">www.dspim.com</a>). The information on NAVs of the Scheme/plans may be obtained by the Unit Holders, on any day, by calling the office of the AMC or any of the Investor Service Centres at various locations.</p> <p>Latest available NAVs shall be available to unitholders through SMS, upon receiving a specific request in this regard. NAV will be calculated and declared on every Business Day, except in special circumstances described under 'Suspension of Sale and Redemption of Units' in the SAI.</p> <p>In case of delay, the reasons for such delay would be explained to AMFI in writing. If the NAVs of the Scheme are not available before commencement of business hours on the following day due to any reason, the Fund shall issue a press release providing reasons for the delay and explaining when the Fund would be able to publish the NAVs.</p> <p><b>Indicative NAV (iNAV):</b></p> <p>The AMC shall also calculate indicative NAV and will be updated during the market hours on its website <a href="http://www.dspim.com">www.dspim.com</a>. Indicative NAV will not have any bearing on the creation or redemption of units directly with the Fund by the Market Makers /Large Investors.</p> <p>Indicative NAV shall be disclosed on Stock exchange(s), where the units are listed, on continuous basis at least four times a day i.e. opening and closing iNAV and at least two times during the intervening period with minimum time lag of 90 minutes between the two disclosures or any such other time as may have prescribed by SEBI from time to time.</p> <p>For transactions by Market Makers / large investors directly with the AMCs, intra-day NAV based on the executed price at which the securities representing the underlying index are purchased / sold will be applicable.</p> <p>In case of unit holders whose email addresses are registered with the Fund, the AMC shall send fortnightly/half yearly portfolio via email within 5 days from the end of each fortnight/10 days from the end of each half year.</p> <p>The fortnightly/half yearly portfolio of the Scheme shall be available in a user-friendly and downloadable spreadsheet format on the AMFI's website <a href="http://www.amfiindia.com">www.amfiindia.com</a> and website of the AMC viz. <a href="http://www.dspim.com">www.dspim.com</a> on or before the 5th day of subsequent fortnight/10th day of succeeding half year.</p> <p>The AMC shall publish an advertisement every year disclosing the hosting of the scheme wise annual report on their respective website and on the website of AMFI and the modes such as SMS, telephone, email or written request (letter) through which unitholders can submit a request for a physical or electronic copy of the scheme wise annual report or abridged summary thereof. Such</p> |

|                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
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|                                                                               | <p>advertisement shall be published in the all India edition of at least two daily newspapers, one each in English and Hindi.</p> <p>The AMC shall provide a physical copy of the statement of the Scheme portfolio, without charging any cost, on specific request received from a unitholder.</p> <p>Refer relevant disclosures mentioned in the Statement of Additional Information ('SAI') available on the AMC's website. i.e. www.dspim.com.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>Loads</b>                                                                  | <p><b>Entry Load :</b> Not Applicable</p> <p>Pursuant to clause 10.4.1 (a) of SEBI Master circular, no entry load will be charged by the Scheme to the investor.</p> <p><b>Exit Load : For Creation Unit Size:</b> No Exit load will be levied on redemptions made by Market Makers / Large Investors directly with the Fund in Creation Unit Size.</p> <p><b>For other than Creation Unit Size:</b> Nil</p> <p>The Units of DSP S&amp;P BSE Liquid Rate ETF in other than Creation Unit Size cannot be directly redeemed with the Fund. These Units can be redeemed (sold) on a continuous basis on the Stock Exchange(s) during the trading hours on all trading days. The Trustee / AMC reserve the right to change / modify the exit load on a future date on prospective basis</p>                                                                                                                               |
| <b>Minimum Application Amount</b><br>(First purchase and subsequent purchase) | <p>During NFO period - Rs. 5,000 and in multiples of Re. 1/- thereof.</p> <p><b>On Continuous basis -</b></p> <p><b>Directly with Fund:</b></p> <p><b>a) Market Makers:</b><br/>Market Makers can directly purchase / redeem in blocks from the fund in "Creation unit size" on any business day.</p> <p><b>b) Large Investors:</b><br/>Large investors can directly purchase/redeem in blocks from the Fund in creation of unit size on any business day however, with effect from May 01, 2023, Large Investors can directly purchase / redeem in blocks from the fund in "Creation unit size" subject to the value of such transaction is greater than threshold of INR 25 Cr. (Twenty-Five crores) and such other threshold as prescribed by SEBI from time to time.</p> <p><b>On the Exchange :</b><br/>The units of the Scheme can be purchased and sold in minimum lot of 1 unit and in multiples thereof.</p> |

## SECTION I. INTRODUCTION

### A. RISK FACTORS

#### Standard Risk Factors:

- a. Investment in mutual fund Units involves investment risks such as trading volumes, settlement risk, liquidity risk, default risk, including the possible loss of principal.
- b. 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.
- c. Past performance of the Sponsor/AMC/Mutual Fund does not guarantee future performance of the Scheme.
- d. The name of the Scheme does not in any manner indicate either the quality of the Scheme or its future prospects and returns.
- e. 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.
- f. 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

The Scheme is subject to the principal risks described below. Some or all of these risks may adversely affect the Scheme's NAV, yield, return and/or its ability to meet its objective.

### a. Market Risk

The NAV of the Scheme will react to the securities market movements. The Investor may lose money over short or long periods due to fluctuation in the Scheme's NAV in response to factors such as economic, political, social instability or diplomatic developments, changes in interest rates and perceived trends in stock prices, market movements and over longer periods during market downturns. Investments may be adversely affected by the possibility of expropriation or confiscatory taxation, imposition of withholding taxes on Income Distribution cum Capital Withdrawal or interest payments, limitations on the removal of funds or other assets of the Scheme. In case of any event beyond the control of the manager if an asset becomes illiquid it is possible that the Scheme may not be able to immediately sell certain types of illiquid Securities. The purchase price and subsequent valuation of restricted and illiquid Securities may reflect a discount, which may be significant, from the market price of comparable Securities for which a liquid market exists. The scheme envisages to invest in highly liquid securities and thus we believe this risk is minimal to the scheme

### b. Market Trading Risks

- **Absence of prior active market:** Although the Scheme is listed on NSE/BSE, there can be no assurance that an active secondary market will develop or be maintained. Hence there would be time when trading in the Units of the Scheme would be infrequent. The price of the Units in the secondary market on the Stock Exchange(s) will depend on demand and supply at that point of time. The AMC may appoint Market Maker(s) to provide liquidity in secondary market on an ongoing basis.
- **Trading in units may be halted:** Trading in the Units of the Scheme on NSE/BSE may be halted because of market conditions or for reasons that in view of NSE/BSE or SEBI, trading in the Units of the Scheme are not advisable. In addition, trading of the Units of the Scheme are subject to trading halts caused by extraordinary market volatility and pursuant to NSE/BSE and SEBI 'circuit filter' rules. There can be no assurance that the requirements of NSE/BSE necessary to maintain the listing of the Units of the Scheme will continue to be met or will remain unchanged.
- **Lack of market liquidity:** In case of any event beyond the control of the manager if an asset becomes illiquid the Scheme may not be able to immediately sell certain types of illiquid Securities. The purchase price and subsequent valuation of restricted and illiquid Securities may reflect a discount, which may be significant, from the market price of comparable Securities for which a liquid market exists. The scheme envisages to invest in highly liquid securities and thus we believe this risk is minimal to the scheme
- **Units of the scheme may trade at prices other than NAV:** The Units of the Scheme may trade above or below their NAV. The NAV of the Scheme will fluctuate with changes in the market value of the holdings of the Scheme. The trading prices of the Units of the Scheme will fluctuate in accordance with changes in their NAV as well as market supply and demand for the Units of the Scheme. However, given that Units of the Scheme can be created and Redeemed in Creation Units directly with the Fund, it is expected that large discounts or premiums to the NAV of Units of the Scheme will not sustain due to arbitrage opportunity available.
- **Regulatory Risk:** Any changes in trading regulations by NSE/BSE or SEBI may affect the ability of market maker to arbitrage resulting into wider premium/discount to NAV.
- **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.

- **Risk of substantial redemptions:** Substantial Redemptions of Units within a limited period of time could require the Scheme to liquidate positions more rapidly than would otherwise be desirable, which could adversely affect the value of both the Units being Redeemed and that of the outstanding Units of the Scheme.

Regardless of the period of time in which Redemptions occur, the resulting reduction in the NAV of the Scheme could also make it more difficult for the Scheme to generate profits or recover losses. The Trustee, in the general interest of the Unit holders of the Scheme offered under this SID and keeping in view of the unforeseen circumstances/unusual market conditions, may limit the total number of Units which can be redeemed on any Working Day depending on the total “Saleable Underlying Stock” available with the Fund. The managers expect this risk to unfold in case of the direct redemptions with the fund house in defined creation unit size. Also since the investments would be in highly liquid assets this risk is minimal to the scheme.

#### **c. Redemption Risk**

Investors may note that even though the Scheme is an open-ended Scheme, the Scheme would ordinarily repurchase Units in Creation Unit size. Unit holdings less than the Creation Unit size can only be sold through the secondary market on the Exchange unless no quotes are available on the NSE/BSE for 5 trading days consecutively.

#### **d. Asset Class Risk**

The returns from the types of Securities in which the Scheme invests may underperform returns of general Securities markets or different asset classes. Different types of Securities tend to go through cycles of out-performance and under-performance in comparison of Securities markets.

#### **e. Risks Associated with Investing in Money Market Securities**

- **Interest Rate Risk**

Changes in interest rates will affect the Scheme’s NAV. The prices of Securities usually increase as interest rates decline and usually decrease as interest rates rise. The extent of fall or rise in the prices is guided by duration, which is a function of the existing coupon, days to maturity and increase or decrease in the level of interest rate. The new level of interest rate is determined by the rate at which the government raises new money and/or the price levels at which the market is already dealing in existing Securities.

In case of TRI-PARTY REPO, the rate of interest, from time to time, depends upon the number of borrowers at that point of time and the amount to be borrowed by such borrowers.

In the case of Floating Rate Instruments, an additional risk could be due to the change in the spreads of Floating Rate Instruments. If the spreads on Floating Rate Instruments rise, then there could be a price loss on these instruments. Debt markets, especially in developing markets like India, can be volatile leading to the possibility of price moving up or down in fixed income Securities and thereby to possible movements in the NAV.

- **Prepayment Risk**

A borrower may prepay a receivable prior to its due date. This may result in a change in the yield and tenor for the Scheme.

- **Liquidity or Marketability Risk**

This refers to the ease at which a Security can be sold at or near its true value. The primary measure of liquidity risk is the spread between the bid price and the offer price quoted by a dealer. Liquidity risk is characteristic of the Indian fixed income market. Trading volumes, settlement periods and transfer procedures may restrict the liquidity of the investments made by the Scheme. Different segments of the Indian financial markets have different settlement periods and such period may be extended significantly by unforeseen circumstances leading to delays in receipt of proceeds from sale of Securities. As liquidity of the investments made by the Scheme could, at times, be restricted by

trading volumes and settlement periods, the time taken by the Fund for Redemption of Units may be significant in the event of an inordinately large number of Redemption requests or restructuring of the Scheme.

- **Credit Risk**

Credit Risk means that the issuer of a Security may default on interest payments or even paying back the principal amount on maturity (i.e. the issuer may be unable to make timely principal and interest payments on the Security). Even where no default occurs, the prices of Security may go down because the credit rating of an issuer goes down. However, it must be noted that where the Scheme has invested in Government Securities, the risk of default is lower.

- **Rating Migration Risk**

Fixed income securities (excluding government 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.

- **Re-investment Risk:**

The investments made by the Scheme are subject to reinvestment risk. This risk refers to the interest rate levels at which maturity proceeds & cash flows received from the securities in the Scheme are reinvested. The risk is that the rate at which these cash flows can be reinvested may be lower than that originally assumed.

#### **f. Calculation of NAV**

From time to time, materiality thresholds may apply in so far as it relates to errors in the calculation of NAV in accordance with SEBI Regulations. Unit holders should note that the AMC may not pay the Unit holders or the Scheme the amount of any difference in circumstances where any such materiality thresholds provided under SEBI Regulations are not exceeded. Therefore such differences may lead to a different economic result than if such amounts were paid and such errors, which are deemed to be immaterial, will not lead to a reissued and corrected NAV.

As a result, Investors/ Unit holders who have Subscribed for or Redeemed Units of the Scheme on a day on which the materiality thresholds had been applied, the Investors / Unit holders may receive a different economic result than they would have received had the error in calculation of the NAV not happened.

#### **g. Risk of Changes in Borrowing Rates**

The Scheme may borrow funds on a temporary basis within the limits set forth under the SEBI Regulations. The Scheme may choose to only borrow from the Custodian of the Scheme, and the borrowing rate imposed by the Custodian of the Scheme may change due to market conditions. As a consequence thereof, the borrowing rates imposed by the Custodian may not be the most competitive. The cost that would be allocated to the scheme would be as per the SEBI circular & guidelines issued from time to time.

#### **h. Uncertain Tax Positions**

Prospective Investors should be aware that tax Laws and regulations are constantly changing and that they may be changed with retrospective effect. Moreover, the interpretation and application of tax Laws and regulations by certain tax authorities may not be clear, consistent or transparent. As a result of uncertainty relating to the Fund's potential tax liabilities, including on any historical realized or unrealized gains, as well as liabilities that may arise as a result of investments made by the Scheme which have not reflected tax liabilities in their valuation, the NAV of the Scheme on any dealing day may not accurately reflect such liabilities (including those that are imposed with retrospective effect). In addition, the NAV of the Scheme on any dealing day may reflect an accrual for potential tax liabilities that may subsequently not be paid. Accounting standards may also change, creating an obligation for the Fund to accrue for a potential tax liability that was not previously required to be accrued or in

situations where the Fund does not expect to be ultimately subject to such tax liability.

In the event that the Fund subsequently determines to accrue for tax liabilities and/or is required to pay amounts relating to tax liabilities that had not previously been accrued and/or any Scheme investments result in tax liabilities that were not reflected in their valuation (including historic investments), the amount of any such determination or payment will generally be allocated among the Unit holders of the applicable Scheme at the time of such determination or payment, rather than when the income or transaction to which such taxes relate was earned or occurred. Moreover, in the event that the Fund subsequently determines that an accrual for potential tax liabilities exceeds or will exceed the liability for such taxes, the benefit from any such determination will generally be allocated among the Unit holders of the applicable Scheme at the time of such determination, rather than when the income or transaction in respect of which such taxes were accrued was earned or occurred, and Unit holders who previously Redeemed Units of the Scheme will not receive additional compensation or otherwise share such benefit. Unit holders will not be notified of any of the foregoing determinations or payments.

Unit holders that invest in the Units of a Scheme at a time during which any liabilities for taxes are not accrued will invest in the Units of the Scheme at a higher NAV than such Unit holders would have invested had such liabilities been accrued at the time of the applicable investment. In addition, the returns of the Scheme may be considered to have been subject to an inadvertent leverage effect in that those additional assets would have been invested in accordance with the usual investment policy of the Scheme. On the other hand, Unit holders that Redeem Units of a Scheme at a time during which potential liabilities for taxes are accrued will Redeem Units of the Scheme at a lower NAV than if such liabilities had not been accrued at the time of the applicable Redemption. In that situation the Scheme may also be considered to have been subject to an inadvertent under investment effect if that accrual of taxes is not subsequently paid.

#### **i. Tracking error & Tracking Difference Risk**

“Tracking Error” is defined as the standard deviation of the difference between daily returns of the underlying index and the NAV of the respective scheme.

“Tracking Difference” is the annualized difference of daily returns between the Index and the NAV of the scheme (difference between fund return and the index return).

Tracking Error and Tracking difference may arise including but not limited to the following reasons:

- i. Expenditure incurred by the fund.
- ii. The holding of a cash positions. The fund may not be invested at all time as it may keep a portion of the funds in cash to meet redemptions
- iii. The fund will deploy available funds into TRI-PARTY REPO at various points during the day, which may differ from weighted average rate published by CCIL at end of the day (considered for index return computation)
- iv. Execution of large buys / sell orders
- v. Transaction cost
- vi. Realization of Unit holders funds

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

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

#### **RISK MANAGEMENT STRATEGIES**

DSPAM is committed to a strong control and compliance environment and ensuring that the

management structure is appropriate to the scale of the business. DSPAM's fiduciary business is managed according to the rules and a regulation stipulated for Asset Management Companies by the Securities & Exchange Board of India (SEBI) and also incorporates DSPIM's internal policies.

The AMC has systems and processes to monitor all the investment restrictions specified by SEBI and in this document on a regular basis.

- **Market Trading Risks:**

The AMC will appoint Market Makers to provide liquidity in secondary market on an ongoing basis. The Market Maker(s) would offer daily two-way quote (buy and sell quotes) in the market.

- **Market Risk:**

The scheme is designed to invest in highly liquid short duration securities and thus this risk is minimal to the scheme

- **Liquidity Risk:**

The liquidity risk will be managed and/or sought to be addressed by creating a portfolio which has adequate access to liquidity. The Investment Manager will select securities, which have or are expected to have high secondary market liquidity.

- **Credit Risk:**

Credit Risk associated with Money market securities will be managed by making investments in securities issued by borrowers, which have a very good credit profile, based on thorough due diligence and research done by the in-house credit research team. There are defined 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.

- **Term Structure of Interest Rates (TSIR) Risk:**

The Investment Manager will endeavor to actively manage the duration based on the ensuing market conditions. As the money market investments of the Scheme are generally of very short duration in nature, the risk can be expected to be minimal.

- **Rating Migration Risk:**

The endeavor is to invest in high grade/quality securities. The due diligence performed before assigning credit limits should mitigate company-specific issues.

- **Re-investment Risk:**

Re-investment Risk is prevalent for money market securities, but as the money market investments of the Scheme are generally short duration in nature, the impact can be expected to be small.

- **Tracking error & Tracking Difference Risk:**

The Investment Manager would monitor the tracking error and tracking difference of the Scheme on an ongoing basis and would seek to minimize tracking error to the maximum extent possible. The investment manager will endeavor to maintain low cash levels to minimize tracking error and tracking difference

## **B. REQUIREMENT OF MINIMUM INVESTORS IN THE SCHEME**

Being an open-ended Exchange Traded Fund, the guidelines issued by SEBI vide clause 6.11 of SEBI Master circular regarding Minimum Number of Investors in Scheme and that no single investor should account for more than 25% of the corpus of the scheme shall not be applicable to this Scheme.

### C. SPECIAL CONSIDERATIONS

- a. Subject to the SEBI (MF) Regulations, funds managed by the associates of the Sponsors may invest either directly or indirectly in the Scheme and may acquire a substantial portion of the Scheme Units and collectively constitute a majority investor in the Scheme. Accordingly, redemption of Units held by such funds may have an adverse impact on the value of the Units of the Scheme because of the timing of any such redemption and may impact the ability of other Unit Holders to redeem their respective Units.
- b. As the liquidity of the Scheme investments may sometimes be restricted by trading volume and settlement periods, the time taken by the Mutual Fund for redemption of Units may be significant in the event of an inordinately large number of redemption requests or of a restructuring of the Scheme portfolios. In view of this, the Trustee has the right, in its sole discretion, to limit redemptions under certain circumstances.
- c. 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.
- d. The AMC provides Investment Management Services to DSP India Fund and DSP India Investment Fund (both based out in Mauritius). The AMC provides investment management and trade execution related services to offshore sovereign funds. The AMC also provides non-binding advisory services to the offshore funds/ offshore investment manager, who is managing an offshore fund which will invest through FPI route. The AMC also provides investment management advice and execution services to DSP ICAV, an umbrella type Irish Collective Asset-management Vehicle. The AMC is the holding company to DSP Pension Fund Managers Private Limited (DSPPFM) and it acts as a Sponsor to DSPPFM pursuant to Pension Fund Regulatory and Development Authority Regulations, 2015 (PFRDA Regulations) and PFRDA letter dated July 10, 2023 and in accordance with SEBI approval dated January 03, 2013, under Regulation 24 (b) of SEBI (Mutual Fund) Regulations, 1996. The AMC, in accordance with SEBI approval, acts as Investment Managers to DSP Alternative Investment Fund Category III (DSPAIF - C - III) (SEBI registration no. IN/AIF3/13-14/0059). Further, DSP Trustee Private Limited, act as Trustees to the DSPAIF - C - III. The AMC is the holding company to DSP Fund Managers IFSC Private Limited ('DSP IFSC'). Pursuant to SEBI approval Dated February 8, 2023 and IFSC approval dated August 31, 2023 and other applicable regulatory approvals, DSP IFSC provides investment management and/or advisory services to the Funds set up under IFSCA (Fund Management) Regulations, 2022. The said funds being (a) Foreign Portfolio Investors ('FPIs') operating from IFSC-GIFT and regulated by International Financial Services Centres Authority ('IFSCA') and falling under the categories as specified under clause 17.3.1 of SEBI Master Circular. (b) FPIs operating from IFSC-GIFT and regulated by IFSCA specified under clause 17.3.3 of SEBI Master Circular subject to complying with applicable conditionalities mentioned thereunder. (c) Other broad-based funds (not being FPIs) investing in overseas securities. The AMC intends to provide non- binding advisory services to a DSP IFSC in accordance with Regulation 24 of SEBI (Mutual Funds) Regulations, 1996. **The AMC has systems in place to ensure that there is no conflict of interest between the aforesaid activities.**
- e. There are instances where AMC has appointed common Fund Manager for managing domestic mutual fund schemes and managing/advising offshore funds. Further, it may be noted that the dealing function (excluding passive schemes) is common for mutual fund/AIF/offshore advisory cum management activities. The AMC has systems in place to ensure that there is no conflict of interest between the aforesaid activities.
- f. 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. 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.

- g. 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 there under by SEBI and/or RBI without obtaining the prior approval of the investor/Unit Holder/any other person.
- h. 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 or Registered Investment Advisors through whom applications of investors are received for the Scheme; or;
  - 3. Distributors or Sub-brokers or Registered Investment Advisors through whom applications of investors are received for the Scheme; or;
  - 4. Any other organizations 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 Unit holder, distributors or any other entity as indicated above, will be sent only through a secure means and / or through encrypted electronic mail.
- i. 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.
- j. 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 advice 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.
- k. 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.

- l. Any dispute arising out of the Scheme 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.
- m. 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 there under to any Regulatory/Statutory entities as per the provisions of law.
- n. This SID is not an offer of units of the Scheme for sale or solicitation of an offer to purchase the units of the Scheme in the United States or in any other jurisdiction where such offer may be restricted. Offers to sell or solicitations of offers to purchase units of any Scheme referred herein may be made only by means of a prospectus and in accordance with applicable securities laws. Securities may not be offered or sold in the United States absent registration under the US Securities Act of 1933, as amended or an exemption therefrom. The Schemes referred herein have not and do not intend to register any securities under the US Securities Act of 1933, as amended, and do not intend to offer any securities in the United States. The Schemes referred herein have not been and will not be registered under the US Investment Company Act of 1940, and investors therein will not be entitled to the benefits thereof.
- o. DSP Investment Managers Private Limited ("DSPIM") has transferred its asset management business to another DSP group company DSP Asset Managers Private Limited ("DSPAM"), as part of internal restructuring (demerger) of its business with effect from April 01, 2023.

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

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



## D. DEFINITIONS

|                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|-----------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Applicable NAV</b>                               | The NAV applicable for purchase /redemption/switch on the Business Day on which the subscription/redemption/switch is sought by the investor and determined by the Fund.                                                                                                                                                                                                                                                            |
| <b>AMC or Investment Manager or DSPAM</b>           | DSP Asset Managers Private Limited, the asset management company, set up under the Companies Act 2013, and authorized by SEBI to act as the asset management company to the schemes of DSP Mutual Fund.                                                                                                                                                                                                                             |
| <b>Beneficial owner</b>                             | Beneficial Owner as defined in the Depositories Act, 1996 means a person whose name is recorded as such with a depository.                                                                                                                                                                                                                                                                                                          |
| <b>Business Day/Working day</b>                     | A day other than:<br>(1) Saturday and Sunday;<br>(2) a day on which the National Stock Exchange/BSE is closed<br>(3) a day on which the Sale and Redemption of Units are suspended<br>The AMC reserves the right to declare any day as a non-business day at any of its locations at its sole discretion.                                                                                                                           |
| <b>Creation Date</b>                                | The date on which DSP S&P BSE Liquid Rate ETF Units are created                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Creation Unit Size</b>                           | Creation Unit is a fixed number of Units of the Scheme, which can be Purchased from/ Redeemed directly with the Fund.<br><br>For purchase: Minimum 2,500 Units and in multiples of 1(one) unit thereafter<br><br>For redemption: 2,500 Units and in multiples of 1(One) unit thereafter<br><br>The Creation Unit size may be changed by the AMC at their discretion and the notice of the same shall be published on AMC's website. |
| <b>Continuous Offer/Ongoing Offer</b>               | Offer of Units when the Scheme becomes available for subscription, after the closure of the New Fund Offer.                                                                                                                                                                                                                                                                                                                         |
| <b>Custodian</b>                                    | Citibank N. A., acting as custodian to the Schemes, or any other Custodian who is approved by the Trustee.                                                                                                                                                                                                                                                                                                                          |
| <b>Clearcorp Repo Order Matching System (CROMS)</b> | CROMS is an STP (Straight through Processing) enabled anonymous Order Matching Platform launched by Clearcorp Dealing Systems (India) Limited for facilitating dealing in Market Repos in all kinds of Government Securities.                                                                                                                                                                                                       |
| <b>Date of Allotment</b>                            | The date on which Units subscribed to during the New Fund Offer Period will be allotted.                                                                                                                                                                                                                                                                                                                                            |
| <b>DSPS&amp;PLRETF/Scheme</b>                       | DSP S&P BSE Liquid Rate ETF                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>Depository</b>                                   | National Securities Depository Limited (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.                                                                                                                                                                                                              |
| <b>Depository Participant/DP</b>                    | 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.                                                                                                                                                                                                             |
| <b>Entry Load</b>                                   | Load on purchase of Units                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>Exit Load</b>                                    | Load on redemption of Units                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>First time mutual fund investor</b>              | An investor who invests for the first time ever in any mutual fund either by way of subscription or systematic investment plan.                                                                                                                                                                                                                                                                                                     |
| <b>Fund/Mutual Fund</b>                             | DSP Mutual Fund, a trust set up under the provisions of the Indian Trust Act, 1882, and registered with SEBI vide Registration No. MF/036/97/7.                                                                                                                                                                                                                                                                                     |
| <b>FPI</b>                                          | 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                                                                                                                                                                                                                                                      |

|                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Government Securities</b>                   | Securities created and issued by the Central Government and/or a State Government (including Treasury Bills) or Government Securities as defined in the Government Securities Act, 2006, as amended or re-enacted from time to time.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>Investment Management Agreement</b>         | The Agreement dated December 16, 1996, amended vide Amendatory Agreement dated April 01, 2023 entered into between DSP Trustee Private Limited and DSP Asset Managers Private Limited, as amended from time to time.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>Large Investors</b>                         | Large Investor for the purpose of subscription of Units would mean Investors other than Market Makers who is eligible to invest in the Scheme and who would be creating Units of the Schemes in Creation Unit size by depositing Portfolio Deposit and/ or Cash Component subject to the value of such transaction is greater than threshold of INR 25 Cr. (Twenty-Five crores) and such other threshold as prescribed by SEBI from time to time. Further Large Investor would also mean those Investors who would be Redeeming Units of the Schemes in Creation Unit size subject to the value of such transaction is greater than threshold of INR 25 Cr. (Twenty-Five crores) and such other threshold as prescribed by SEBI from time to time. |
| <b>NAV</b>                                     | 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.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>Intra-day NAV</b>                           | Intra-day NAV means the NAV applicable for subscription/redemption transaction by an Market Maker/Large Investor directly with the fund, based on the price at which the purchase/sale of basket of securities representing the underlying index was executed for their respective transaction(s) during the day and shall include the Cash Component. Additionally, transaction handling charges, if any, will have to be borne by the Market Maker/Large Investor.                                                                                                                                                                                                                                                                               |
| <b>Indicative NAV (iNAV)</b>                   | Indicative NAV reflects the indicative value of each unit by valuing the previous day portfolio using near close real time prices and after deducting expenses incurred towards operating and holdings cost.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Non Business Day</b>                        | A day other than a Business Day.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>NRI</b>                                     | Non Resident Indian.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>Offer Document</b>                          | This Scheme Information Document (SID) and the Statement of Additional Information (SAI) (collectively)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>PIO</b>                                     | Person of Indian Origin.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>Registrar and Transfer Agent/RTA</b>        | Computer Age Management Services Limited (CAMS)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>Scheme Information Document/SID</b>         | This document issued by DSP Mutual Fund, offering Units of DSP S&P BSE Liquid Rate ETF                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>Statement of Additional Information/SAI</b> | 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.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>Scheme</b>                                  | DSP S&P BSE Liquid Rate ETF                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>SEBI</b>                                    | Securities and Exchange Board of India, established under the Securities and Exchange Board of India Act, 1992.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>SEBI Master Circular</b>                    | SEBI Master Circular No. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2023/74 dated May 19, 2023, Master Circular for Mutual Funds.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Sponsors</b>                                | DSP ADIKO Holdings Private Limited & DSP HMK Holdings Private Limited                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>Stock Exchange/Exchange</b>                 | BSE, NSE or any other recognized stock exchange in India, as may be approved by the Trustee.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |

|                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|-----------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Tracking Error</b>       | Tracking Error is defined as the standard deviation of the difference between daily returns of the index and the NAV of the Scheme. Thus Tracking Error is the extent to which the NAV of the Scheme moves in a manner inconsistent with the movements of the Scheme's benchmark index on any given day or over any given period of time due to any cause or reason whatsoever including but not limited to expenditure incurred by the Scheme, Income Distribution cum Capital Withdrawal payouts if any, whole cash not invested at all times as it may keep a portion of funds in cash to meet redemption etc. |
| <b>Tracking Difference</b>  | Tracking Difference is defined as the annualized difference of daily returns between the index and the NAV of the Schemes.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>Trustee</b>              | DSP Trustee Private Limited, a company set up under the Companies Act, 1956 and approved by SEBI to act as the Trustee to the schemes of DSP Mutual Fund.                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>Unit</b>                 | 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.                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>Unit Holder/Investor</b> | A participant/holder of Units in the Scheme offered under this SID.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |

## ABBREVIATIONS & INTERPRETATIONS:

In this SID the following abbreviations have been used:

|                           |                                                                          |                                       |                                          |
|---------------------------|--------------------------------------------------------------------------|---------------------------------------|------------------------------------------|
| <b>AMC:</b>               | Asset Management Company                                                 | <b>LTV:</b>                           | Loan to Value Ratio                      |
| <b>AMFI :</b>             | Association of Mutual Funds in India                                     | <b>MBS:</b>                           | Mortgaged Backed Securities              |
| <b>AML:</b>               | Anti-Money Laundering                                                    | <b>MFSS:</b>                          | Mutual Fund Service System               |
| <b>ABS:</b>               | Asset Backed Securities                                                  | <b>MFU:</b>                           | MF Utilities India Private Limited       |
| <b>AOP:</b>               | Association of Person                                                    | <b>NAV:</b>                           | Net Asset Value                          |
| <b>BSE:</b>               | BSE Limited                                                              | <b>NEFT:</b>                          | National Electronic Funds Transfer       |
| <b>BSE StAR MF:</b>       | BSE Stock Exchange Platform for Allotment and Repurchase of Mutual Funds | <b>NFO:</b>                           | New Fund Offer                           |
| <b>CAS:</b>               | Consolidated Account Statement                                           | <b>NRI:</b>                           | Non-Resident Indian                      |
| <b>CAMS:</b>              | Computer Age Management Services Limited                                 | <b>NRE:</b>                           | Non Resident External                    |
| <b>CDSL:</b>              | Central Depository Services (India) Limited                              | <b>NRO:</b>                           | Non Resident Ordinary                    |
| <b>DFI:</b>               | Development Financial Institutions                                       | <b>NSE / National Stock Exchange:</b> | National Stock Exchange of India Limited |
| <b>DP:</b>                | Depository Participant                                                   | <b>NSDL:</b>                          | National Securities Depository Limited   |
| <b>ECS:</b>               | Electronic Clearing System                                               | <b>OTC:</b>                           | Over the Counter                         |
| <b>EFT:</b>               | Electronic Funds Transfer                                                | <b>OTM:</b>                           | One Time Mandate                         |
| <b>ETF:</b>               | Exchange Traded Fund                                                     | <b>POA:</b>                           | Power of Attorney                        |
| <b>FPI:</b>               | Foreign Portfolio Investor                                               | <b>PIO:</b>                           | Person of Indian Origin                  |
| <b>FRA:</b>               | Forward Rate Agreement                                                   | <b>PMLA:</b>                          | Prevention of Money Laundering Act, 2002 |
| <b>FIRC:</b>              | Foreign Inward Remittance Certificate                                    | <b>POS:</b>                           | Points of Service                        |
| <b>FOF:</b>               | Fund of Funds                                                            | <b>PSU:</b>                           | Public Sector Undertaking                |
| <b>FPI:</b>               | Foreign Portfolio Investor                                               | <b>RBI:</b>                           | Reserve Bank of India                    |
| <b>FATCA:</b>             | Foreign Account Tax Compliance Act                                       | <b>RTGS:</b>                          | Real Time Gross Settlement               |
| <b>HUF:</b>               | Hindu Undivided Family                                                   | <b>SEBI:</b>                          | Securities and Exchange Board of India   |
| <b>IMA:</b>               | Investment Management Agreement                                          | <b>SI:</b>                            | Standing Instructions                    |
| <b>IRS:</b>               | Interest Rate Swap                                                       | <b>STT:</b>                           | Securities Transaction Tax               |
| <b>ISC:</b>               | Investor Service Centre                                                  | <b>SCSB:</b>                          | Self Certified Syndicate Bank            |
| <b>IDCW Transfer Plan</b> | Transfer of Income Distribution cum Capital Withdrawal Plan              | <b>SLR:</b>                           | Statutory Liquidity Ratio                |
| <b>IDCW</b>               | Income Distribution cum Capital Withdrawal                               | <b>UBO:</b>                           | Ultimate Beneficial Ownership            |
| <b>GST:</b>               | Goods and Services Tax                                                   | <b>TRI:</b>                           | Total Return variant of the Index        |
| <b>KYC:</b>               | Know Your Customer                                                       | <b>TREPs</b>                          | TRI-PARTY REPO                           |
| <b>PRC:</b>               | Potential Risk Class                                                     |                                       |                                          |

## INTERPRETATION

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

- The Terms defined in this SID include the plural as well as the singular.
- Pronouns having a masculine or feminine gender shall be deemed to include the other.

- All references to “US\$” refer to United States Dollars and “Rs. INR” refer to Indian Rupees. A “Crore” means “ten million” and a “Lakh” means a “hundred thousand”.
- References to times of day (i.e. a.m. or p.m.) are to Indian Standard Time (IST) and references to a day are to a calendar day including non-Business Day.

## E. DUE DILIGENCE BY THE AMC

It is confirmed that:

- (i) The SID forwarded to SEBI is in accordance with the SEBI (MF) Regulations, 1996 and the guidelines and directives issued by SEBI from time to time.
- (ii) All legal requirements connected with the launching of the Scheme as also the guidelines, instructions, etc., issued by the Government and any other competent authority in this behalf, have been duly complied with.
- (iii) The disclosures made in the SID are true, fair and adequate to enable the investors to make a well informed decision regarding investment in the proposed Scheme.
- (iv) The intermediaries named in the SID and SAI are registered with SEBI and their registration is valid, as on date.

Place: Mumbai  
Date: February 29, 2024

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

## SECTION II - INFORMATION ABOUT THE SCHEME

### A. TYPE OF THE SCHEME

An open ended scheme replicating/ tracking S&P BSE Liquid Rate Index. A relatively low interest rate risk and relatively low credit risk.

### B. WHAT IS THE INVESTMENT OBJECTIVE OF THE SCHEME?

The Scheme seeks to provide returns before expenses that correspond to the returns of S&P BSE Liquid Rate Index, subject to tracking errors.

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

### C. HOW WILL THE SCHEME ALLOCATE ITS ASSETS?

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

| Instruments                                                                                                                                              | Indicative allocations<br>(% of total assets) |         | Risk<br>Profile |
|----------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|---------|-----------------|
|                                                                                                                                                          | Minimum                                       | Maximum |                 |
| Tri-Party REPOs, Repo in Government Securities, Reverse Repos and any other similar overnight instruments as may be provided by RBI and approved by SEBI | 95%                                           | 100%    | Low Risk        |
| Cash and Cash Equivalents@                                                                                                                               | 0%                                            | 5%      | Low Risk        |

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

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

The Scheme shall not invest in:

- a. Overseas securities/ADR/GDR
- b. Investment in our Own Mutual Fund Schemes or Other Mutual fund schemes
- c. Derivatives
- d. Securitised Debt
- e. Repo in corporate debt and corporate reverse repo
- f. Short selling
- g. Stock lending and Borrowing
- h. Unrated debt instruments
- i. Credit default swaps (CDS).
- j. Debt instruments having Structured Obligations / Credit Enhancements.
- k. Securities having special features as per clause 12.2 of SEBI Master Circular.
- l. Units of REITs and InvITs.

The cumulative gross exposure through Debt (i.e Money Market securities (with maturity not exceeding 91 days), repo transactions and other permitted securities/assets and such other securities/assets as may be permitted by SEBI from time to time should not exceed 100% of the net assets of the scheme. Cash and cash equivalents as per SEBI letter no. SEBI/HO/ IMD-II/DOF3/ OW/P/ 2021/ 31487 / 1 dated November 03, 2021 which includes T-bills, Government Securities, Repo on Government Securities and any other securities as may be allowed under the regulations prevailing from time to time subject to the regulatory approval, if any, having residual maturity of less than 91 Days, shall not be considered for the purpose of

calculating gross exposure limit.

As per clause 4.5.2 of SEBI Master Circular, Liquid Funds and Overnight Funds shall not park funds pending deployment in short term deposits of scheduled commercial banks.

The Scheme shall replicate duration of Index, in line with clause 3.5 and 3.6 of SEBI Master Circular, subject to maximum permissible deviation of +/- 10%.

**Rebalancing of deviation due to short term defensive consideration:**

Any alteration in the investment pattern will be for a short term on defensive considerations in line with clause 1.14.1.2 of SEBI Master Circular. The intention being at all times to protect the interests of the Unit Holders and the Scheme shall rebalance the portfolio within 7 calendar days.

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

**Portfolio rebalancing in case of passive breach:**

In line with clause 3.5.3.11 of SEBI Master Circular, in case of change in constituents of the index due to periodic review, the portfolio of Scheme shall be rebalanced within 7 calendar days.

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

**CHANGE IN INVESTMENT PATTERN**

The AMC would monitor the tracking error of the Scheme on an ongoing basis and would seek to minimize tracking error to the maximum extent possible. Since the scheme is an exchange traded fund, it will endeavor to replicate the index.

In the event of the asset allocation falling outside the limits specified in the asset allocation table, the Fund Manager will rebalance the same within 7 days.

**D. WHERE WILL THE SCHEME INVEST?**

The portfolio of the Scheme shall adhere to the following conditions:

The Scheme will make investment in/purchase money market securities with maturity of upto 91 days only. In case of securities with put and call options (daily or otherwise), the residual maturity shall not be greater than 91 days.

Explanation:

In case of securities where the principal is to be repaid in a single payout, the maturity of the securities shall mean residual maturity.

In case the principal is to be repaid in more than one payout, then the maturity of the securities shall be calculated on the basis of weighted average maturity of security.

In case the maturity of the security falls on a non-business day, then the settlement of securities will take place on the next business day

Inter-scheme transfers of securities held in other schemes having maturity of upto 91 days only be permitted in the Scheme.

The securities mentioned in, "Where will the Scheme(s) invest?", could be listed, to 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 may be acquired through secondary market operations, primary issues/offerings, other public offers, Private Placement and negotiated deals amongst other mechanisms.

**TREPs (TREPs):**

"TREPs" means a repo contract where a third entity (apart from the borrower and lender), called a Tri-



Party Agent, acts as an intermediary between the two parties to the repo to facilitate services like collateral selection, payment and settlement, custody and management during the life of the transaction. TREPS facilitates, borrowing and lending of funds, in TREPs arrangement.

Currently the borrowing/ lending is facilitated for tenors upto next 7 days and for three months end dates. A member can request for making available of a particular tenor up to a period of 365 days, by requesting in the format available in sub menu of Request forms under TREPS. The eligible securities that can be used as collateral for borrowing through TREPS are as per list prescribed by CCIL.

#### **Repos:**

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

#### **Inter scheme asset transfer**

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

#### **Overview of Money Market in India**

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

Treasury bills are issued by the Government of India through regular weekly auctions, while Cash Management Bills are issued on an ad-hoc basis. They are mostly subscribed by banks, state governments, mutual funds and other entities. As on 2 Feb 2024, total outstanding treasury bills are Rs. 8,55,865 crore\*.

Certificate of Deposits are issued by scheduled banks for their short-term funding needs. They are normally available for up to 365 days tenor. Certificate of deposits issued by public sector banks are normally rated A1+ (highest short-term rating) by various rating agencies. As on 26 Jan 2024, outstanding Certificate of Deposits are Rs. 3,55,281 crore\*. Certificate of deposits currently trade at a spread of around 80 basis points\*\* over comparable treasury bills as on 9 Feb 2024, for a one-year tenor.

Commercial Papers are issued by corporate entities for their short-term cash requirements. Commercial Papers are normally rated A1+ (highest short-term rating). As on 31 Jan 2024, total outstanding Commercial Papers are Rs. 3,77,707 crore\*. Commercial papers trade at around 103 basis points\*\* over comparable treasury bills as on 9 Feb 2024, for a one-year tenor.

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

\*Source: Reserve Bank of India Bulletin, Weekly Statistical Supplement, February 9, 2024

\*\*Internal estimates.

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

The Scheme will track its Underlying Index and will use a “passive” or indexing approach to endeavor to achieve scheme’s investment objective. All investments of the Scheme would be in Tri-Party REPO, Repo in Government Securities, Reverse Repos and similar other overnight instruments and other Money Market Instruments (with maturity not exceeding 91 days).

#### **RISK CONTROL**

Investments made by the Scheme would be in accordance with the investment objective of the Scheme and provisions of SEBI Regulations. Since the investing requires disciplined risk management, the AMC has adequate safeguards for controlling risk in the portfolio construction process. The risk control process involves reducing risk through portfolio diversification wherever possible, taking care however not to dilute the returns in the process. It is the belief of the AMC that the diversification would help to achieve desired level of consistency in returns.

## **PORTFOLIO TURNOVER**

Portfolio Turnover is a term used to measure the volume of trading that occurs in a Scheme's portfolio during a given time period. The scheme being a passively managed open-ended exchange traded fund, it is expected that there would be a number of subscriptions and redemptions on a daily basis. Hence, it is difficult to estimate with any reasonable measure of accuracy, the likely turnover in the portfolio. Generally, turnover will depend upon the extent of purchase and redemption of units and the need to rebalance the portfolio on account of change in the composition, if any, and corporate actions of securities included in the Index. The Scheme has no specific target relating to portfolio turnover. The effect of higher portfolio turnover could be higher brokerage and transaction costs.

## **F. FUNDAMENTAL ATTRIBUTES**

Following are the fundamental attributes of the Scheme, in terms of Regulation 18(15A) of the SEBI Regulations:

(i) **Type of Scheme:** An open ended scheme replicating / tracking S&P BSE Liquid Rate Index. A relatively low interest rate risk and relatively low credit risk.

(ii) **Investment Objective:**

- Investment objective - Refer to Section: "WHAT IS THE INVESTMENT OBJECTIVE OF THE SCHEME?"
- Investment pattern - Refer to Section: "How will the Scheme allocate its assets?"

(iii) **Terms of Issue**

- Liquidity provisions such as listing, repurchase, redemption. Please refer, "Section. Units and Offer."
- Aggregate fees and expenses charged to the Scheme. Please refer, "Section. 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:

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

## **G. HOW WILL THE SCHEME BENCHMARK ITS PERFORMANCE?**

The performance of the scheme will be benchmarked against S&P BSE Liquid Rate Index as the benchmark index.

## **ABOUT THE INDEX**

S&P BSE Liquid Rate Index is designed to measure the returns from a daily rolling deposit at the Tri-

Party Repo (TREP) rate.

The aforesaid Index is calculated in Indian rupees using the TREP rate for transactions maturing on the following business day and with settlement T+0. Rates used are provided by Clearing Corporation of India Ltd (CCIL). The index represents the performance of a daily rolling deposit and does not undergo a rebalancing.

As the Scheme will invest in Tri-Party Repos, S&P BSE Liquid Rate Index is a suitable benchmark for the scheme.

A detailed review of the Scheme and the performance of the Scheme vis-à-vis the benchmark will be placed before the board of directors of AMC and Trustee on a quarterly basis.

In terms of clause 1.8 of SEBI Master Circular, the board of directors of the AMC and Trustees may review the benchmark selection from time to time, and make suitable changes as to use of the benchmark or select an additional or replacement benchmark, or related to composition of the benchmark, whenever it deems necessary after recording an adequate justification for carrying out such change. However, change of benchmark and/or selecting additional benchmarks would be done in compliance with the relevant guidelines of SEBI in this regard.

The Fund Manager will bring to the notice of the board of directors of the AMC, specific factors if any, which are impacting the performance of the Scheme. The board of directors of the AMC on consideration of all relevant factors may, if necessary, give appropriate directions to the AMC. Similarly, the performance of the Scheme will be submitted to the Trustees. The Fund Manager / Chief Investment Officer will explain to the Trustees, the details on the Scheme's performance vis-à-vis the benchmark returns.

#### **Methodology:**

##### **S&P BSE Liquid Rate Index Calculation**

The index is calculated by applying the return implied by the TREP rate to the previous day's index level.

$$Index_{TRt} = (1 + [T + 1, T] \cdot 365 \cdot rt) \times Index_{TRt-1}$$

where:  $Index_{TRt}$  = Index Value on current index calculation day  $t$

$Index_{TRt-1}$  = Index Value on previous index calculation day  $t - 1$

$[T + 1, ]$  = Number of days between next index calculation day  $t + 1$  and current index calculation day  $t$

$rt$  = Weighted Average TREP Rate published by CCIL on current index calculation day  $t$  for T+0 settlement type with  $[T + 1, T]$  days to maturity

Note:  $Index_{TRt}$  calculated on current day is the face value of the rolling deposit maturing on following business day

**Reconstitution:** Not Applicable

**Constituent Weightage and Impact Cost:** Not Applicable

#### H. WHO WILL MANAGE THE SCHEME?

| Fund Manager     | Age      | Total Experience | Qualifications                                                                                                                      | Brief Experience                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Other schemes managed                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|------------------|----------|------------------|-------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Anil Ghelani     | 44 years | >25 Years        | Chartered Financial Analyst (CFA Institute USA)<br>Chartered Accountant (ICAI India)<br>B.Com. (H.R. College, University of Mumbai) | Over 25 years of experience as under:<br>From April 01, 2023 to till date - DSPAM - Head of Passive Investments & Products<br>From April 16, 2018 to March 31, 2023 - DSPIM - Head of Passive Investments & Products.<br>From January 2013 to April 2018, DSP Pension Fund Managers Pvt. Ltd. - Business Head & Chief Investment Officer<br>From December 2014 to April 15, 2018 - DSPIM - Senior Vice President, Products & Passive Investments<br>From January 2006 - December 2012 - DSPIM - Head of Risk & Quantitative Analysis (RQA)<br>From July 2003 to December 2005 - DSPIM - AVP - Fund Administration<br>From February 2003 to July 2003 - IL&FS Asset Management Company - Asst. Manager - Fund Operations<br>From February 2000 to January 2003 - S. R. Batliboi (member firm of Ernst & Young) - CA articleship till Jan 2002<br>Executive from Feb 2002<br>From August 1998 to June 2000 - V. C. Shah & Co., Chartered Accountants - CA articleship | DSP Quant Fund,<br>DSP Nifty 50 Equal Weight Index Fund,<br>DSP Nifty 50 Index Fund,<br>DSP NIFTY 1D Rate Liquid ETF,<br>DSP Nifty Next 50 Index Fund,<br>DSP Nifty 50 Equal Weight ETF,<br>DSP Nifty 50 ETF,<br>DSP Nifty Midcap 150 Quality 50 ETF<br>DSP Nifty Midcap 150 Quality 50 Index Fund,<br>DSP Nifty Bank ETF,<br>DSP Nifty IT ETF,<br>DSP Nifty Private Bank ETF,<br>DSP Nifty PSU Bank ETF,<br>DSP S&P BSE Sensex ETF,<br>DSP Gold ETF Fund of Fund,<br>DSP Nifty Smallcap250 Quality 50 Index Fund,<br>DSP Nifty Healthcare ETF. |
| Mr. Diipesh Shah | 45 Years | >23 Years        | B.Com, ACA, Candidate of the CFA Program, CFA Institute USA, Level I Cleared                                                        | Over 22 years of experience as under:<br>From April 2023 till date - DSPAM - Fund Manager - ETF and Passive Investments.<br>From November 1, 2020 to March 31, 2023- DSPIM - Fund Manager - ETF and Passive Investments.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | DSP Nifty 50 Equal Weight Index Fund,<br>DSP Nifty 50 Index Fund,<br>DSP NIFTY 1D Rate Liquid ETF,<br>DSP Nifty Next 50 Index Fund,<br>DSP Quant Fund,                                                                                                                                                                                                                                                                                                                                                                                          |

| Fund Manager | Age | Total Experience | Qualifications | Brief Experience                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Other schemes managed                                                                                                                                                                                                                                                                                                                                                                                                  |
|--------------|-----|------------------|----------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|              |     |                  |                | <p>From September 2019 - October 2020 - DSPIM Dealer - ETF and Passive Investments.</p> <p>From August 2018 to September, 2019 - JM Financial Institutional Broking Limited as Institutional Equity Sales Trading.</p> <p>From June 2014 to July 2018 - Centrum Boking Limited as Institutional Equity Sales Trading. From September 2013 to June 2014 - JM Financial Institutional Broking Limited as Institutional Equity Sales Trading.</p> <p>From January 2011 to August 2013 - IDFC Securities Limited as Institutional Equity Sales Trading</p> <p>From July 2010 to September 2010 - Kotak Securities Limited as Institutional Equity Sales Trading</p> | <p>DSP Nifty 50 Equal Weight ETF,<br/> DSP Nifty 50 ETF,<br/> DSP Nifty Midcap 150 Quality 50 ETF<br/> DSP Nifty Midcap 150 Quality 50 Index Fund,<br/> DSP Nifty Bank ETF,<br/> DSP Nifty IT ETF,<br/> DSP Nifty Private Bank ETF,<br/> DSP Nifty PSU Bank ETF,<br/> DSP S&amp;P BSE Sensex ETF,<br/> DSP Gold ETF Fund of Fund,<br/> DSP Nifty Smallcap250 Quality 50 Index Fund,<br/> DSP Nifty Healthcare ETF.</p> |

## I. WHAT ARE THE INVESTMENT RESTRICTIONS?

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

Subject to the asset allocation table of this document, the following investment restrictions are presently applicable:

1. Transfer of investments from one Scheme to another Scheme in the Mutual Fund shall be allowed as per guidelines prescribed under clause 12.30 of SEBI Master Circular and amendments made from time to time. Clause 9.11 of SEBI Master Circular has prescribed the methodology for determination of price to be considered for inter-scheme transfers.
2. As per clause 4.5 of SEBI Master Circular-
  - (i) Liquid funds shall hold at least 20% of its net assets in liquid assets. For this purpose, 'liquid assets' shall include Cash, Government Securities, T-bills and Repo on Government Securities.
  - (ii) In case, the exposure in such liquid assets falls below 20% of net assets of the scheme, the AMC shall ensure compliance with the above requirement before making any further investments.
  - (iii) Liquid Funds and Overnight Funds shall not invest in debt securities having structured obligations (SO rating) and/ or credit enhancements (CE rating). However, debt securities with government guarantee shall be excluded from such restriction.
  - (iv) Liquid Funds and Overnight Funds shall not park funds pending deployment in short term deposits of scheduled commercial banks.
3. The Mutual Fund shall buy and sell securities on the basis of deliveries and shall in all cases of purchases, take delivery of relevant securities and in all cases of sale, deliver the securities.  
Provided further that sale of government security already contracted for purchase shall be permitted in accordance with the guidelines issued by the RBI in this regard.
4. The Mutual Fund shall get the securities purchased/transferred in the name of the Mutual Fund on account of the Scheme, wherever the instruments are intended to be of a long term nature.
5. The Scheme shall not make any investment in:
  - a. any unlisted security of any associate or group company of the Sponsors; or
  - b. any security issued by way of private placement by an associate or group company of the Sponsors;  
or
  - c. the listed securities of group companies of the Sponsors, which is in excess of 25% of the net assets.
6. 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 Income Distribution cum Capital Withdrawals to Unit Holders, provided that the Mutual Fund shall not borrow more than 20% of the net assets of the Scheme and the duration of such borrowing shall not exceed a period of six months.
7. If any company invests more than 5 percent of the NAV of any of the Scheme, investment made by that Scheme or any other Scheme of the Mutual Fund in that company or its subsidiaries will be disclosed in accordance with the SEBI (MF) Regulations.
8. As per clause 12.24 of SEBI Master Circular,

The cumulative gross exposure through Debt (i.e Money Market securities (with maturity not exceeding 91 days), repo transactions other permitted securities/assets and such other securities/assets as may be permitted by the Board from time to time should not exceed 100% of the net assets of the scheme 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.
9. No sponsor of a mutual fund, its associate or group company including the asset management company of the fund, through the schemes of the mutual fund or otherwise, individually or collectively, directly or indirectly, have -
- a. 10% or more of the share-holding or voting rights in the asset management company or the trustee company of any other mutual fund; or
  - b. representation on the board of the asset management company or the trustee company of any other mutual fund.
10. The Scheme shall not make any investment in any fund of funds Scheme.
11. The Scheme shall not make any investment in our Own Mutual Fund Schemes or Other Mutual fund schemes
12. The Scheme shall not invest in ADR/GDR/overseas securities.
13. The Scheme will not invest in Securitized Debt.
14. The Scheme will not invest in Repo in corporate debt and corporate reverse repo.
15. The Scheme will not invest in unrated debt instruments.
16. The Scheme shall not engage in Short selling and Securities lending and borrowing.
17. The Scheme will not invest in Credit Default Swaps.
18. The Scheme will not invest in Debt instruments having Structured Obligations / Credit Enhancements.
19. The Scheme will not invest in securities having special features as per clause 12.2 of SEBI Master Circular.
20. The Scheme shall replicate duration of Index, in line with clause 3.5 and 3.6 of SEBI Master Circular, subject to maximum permissible deviation of +/- 10%.
21. The Scheme will comply with any other Regulation applicable to the investments of mutual funds from time to time.

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

**Tracking error:**

Tracking Error is defined as the standard deviation of the difference between daily returns of the index and the NAV of the Scheme.

Thus Tracking Error is the extent to which the NAV of the Scheme moves in a manner inconsistent with the movements of the Scheme's benchmark index on any given day or over any given period of time due to any cause or reason whatsoever including but not limited to expenditure incurred by the Scheme, Income Distribution cum Capital Withdrawal payouts if any, whole cash not invested at all times as it

may keep a portion of funds in cash to meet redemption etc.

#### **Tracking Difference:**

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

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

Annualized tracking difference averaged over one year period for Debt ETF scheme shall not exceed 1.25%. In case the average annualized tracking difference over one year period for Debt ETF scheme is higher than 1.25%, the same shall be brought to the notice of the Board of Trustees with corrective actions taken by the AMC, if any.

**Apart from the Investment Restrictions prescribed under the SEBI (MF) Regulations, there are internal risk parameters for limiting exposure to a particular security, country or sector. Such parameters are prescribed from time to time to respond to the dynamic market conditions and market opportunities.**

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

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

#### **J. HOW HAS THE SCHEME PERFORMED?**

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

**Disclosure as per clause 5.8.1.2 of SEBI Master Circular:**

##### **SCHEME PORTFOLIO HOLDING (TOP 10 HOLDINGS)**

| <b>Top 10 Holdings issuer wise</b>              | <b>% of Scheme</b> |
|-------------------------------------------------|--------------------|
| This being a new Scheme, this is not available. |                    |

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

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

##### **SECTOR ALLOCATION**

###### **Sector wise break up**

| <b>Sector</b>                                   | <b>% of Scheme</b> |
|-------------------------------------------------|--------------------|
| This being a new Scheme, this is not available. |                    |

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

#### **K. INVESTMENT BY THE AMC:**

In terms of sub-regulation 16(A) in Regulation 25 of SEBI (Mutual Funds) Regulations, 1996 read along with clause 6.9 of SEBI Master Circular and AMFI Best Practice Guidelines Circular No.100 /2022-23 on 'Alignment of interest of AMCs with the Unitholders of the Mutual Fund schemes', the AMC shall invest such amounts in such schemes of the mutual fund, based on the risks associated with the schemes, as may be specified by the SEBI from time to time. However, as per the said guidelines, ETFs are exempted from the purview of the aforesaid regulations and guidelines.



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

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

| Scheme Name                  | Investment Objective                                                                                                                                                                                                                                                                                                                                                                                    | Allocation                                                                                                                                                                                                                                                          | Number of Folios (January 31, 2024) | AUM as on January 31, 2024 (Rs. In crores) |
|------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|--------------------------------------------|
| DSP NIFTY 1D Rate Liquid ETF | <p>The investment objective of the Scheme is to seek to provide current income, commensurate with relatively low risk while providing a high level of liquidity, primarily through a portfolio of Tri-Party REPO), Repo in Government Securities, Reverse Repos and similar other overnight instruments.</p> <p>There is no assurance that the investment objective of the Scheme will be realized.</p> | <p>Tri-Party REPOs, Repo in Government Securities, Reverse Repos and any other similar overnight instruments as may be provided by RBI and approved by SEBI: 95% - 100%.</p> <p>Other Money Market Instruments with residual maturity of upto 91 days: 0% - 5%.</p> | 10133                               | 1,171.68                                   |

#### M. COMPLIANCE WITH POTENTIAL RISK CLASS MATRIX NORMS:

In line with clause 17.5 of SEBI Master Circular, the PRC of the Scheme based on interest rate risk and credit risk of the Scheme is being classified.

Further, the investors are requested to note following in accordance with the SEBI Circular read along with the clarification issued by AMFI:

- (i) when PRC cell classification is changed into a cell with either a higher interest rate risk or credit risk, mutual funds shall intimate to all unit holders about the change in the PRC value post completion of the fundamental attribute change (FAC) process. This shall be in addition to the intimation to unit holders about the proposed FAC and the 30-day exit period, prior to the change.
- (ii) the change in the PRC value due to investment actions, price changes, rating changes, etc. shall be determined as part of the day-end post trade compliance check and if the day end PRC value is higher than the maximum risk specified for either of the risks, it shall be rebalanced within a period specified in the Scheme Information Document of the Scheme. Such rebalancing shall be monitored by the Investment Management Committee of the AMC. However, the rule relating to maximum residual maturity of the instrument as per clause 17.5.4 of SEBI Master Circular shall be part of pre-trade checks. Further, only a permanent change in the PRC positioning of a scheme into a higher risk cell will be regarded as a FAC.

At all points of time, positioning of the Debt ETF Scheme in the Potential Risk Class (PRC) matrix shall be in the same cell as that of positioning of the index in the PRC matrix.

#### INTRODUCTION TO EXCHANGE TRADED FUNDS

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

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

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

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

### **Benefits of ETFs**

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

### **Market for ETFs:**

The assets-under-management for ETFs which was approx. Rs 78,812 crores as of March 2018 has grown to nearly Rs. 6,48,717 crores in December 2023. The primary categories of ETFs in India are: Nifty 50 and Sensex based ETFs. Government Disinvestment mandates like CPSE, Bharat 22 and Bharat Bond, Banking Sector ETFs, and Gold. There are also few fixed income, smart beta, sectoral and thematic ETFs, tracking specified indices. Given the ETF market Globally has grown significantly over the past few years, there is a strong case that the size and breadth of the ETF market has a potential go up in India in years to come.

### SECTION III. UNITS AND OFFER

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

#### A. NEW FUND OFFER (NFO)

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>New Fund Offer Period<br/>(This is the period during which a new scheme sells its units to the investors.)</p>                                                                                                                                                                                                                                                                                                                                                                                               | <p><b>NFO for DSP S&amp;P BSE Liquid Rate ETF</b></p> <p><b>Opens on: March 15, 2024 and Closes on: March 20, 2024</b></p> <p>As per SEBI circular SEBI/HO/IMD/IMD-RAC-2/P/CIR/2023/60 dated April 25, 2023, the NFO shall remain open for subscription for a minimum period of three Working Days. Further, as per clause 1.10.1 of the SEBI Master Circular the maximum number of days for which the NFO will be open shall be 15 days.</p> <p><b>Extension or Termination of NFO Period</b><br/>In case the NFO Opening/ Closing Date is subsequently declared as a non-Business Day, the following Business Day will be deemed to be the NFO Opening/ Closing Date. The AMC/Trustee reserves the right to change the New Fund Offer Period, subject to the condition that the subscription list of the New Fund Offer Period shall not be kept open for more than 15 days. An addendum shall be uploaded on the AMC website i.e. <a href="http://www.dspim.com">www.dspim.com</a> notifying the change in the NFO Dates / Period.</p> |
| <p><b>New Fund Offer (NFO) Price:</b><br/>(This is the price per unit that the investors have to pay to invest during the NFO.)</p>                                                                                                                                                                                                                                                                                                                                                                             | <p>The units being offered will have a face value of Rs. 1000/- each and will be issued at a premium, if any, approximately equal to the difference between face value and allotment price.</p> <p>The Allotment price for the NFO shall be Rs. 1000/- on the date of allotment.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <p><b>Minimum Amount for Application in the NFO</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <p>Rs. 5,000/-</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <p><b>Minimum Target amount</b><br/>(This is the minimum amount required to operate each Scheme and if this is not collected during the NFO period, all investors would be refunded the amount invested without any return. However, if the AMC fails to refund the amount within 5 business days from the closure of the NFO, interest as specified by SEBI (currently 15% p.a.) will be paid to the investors from the expiry of fifth business day from the date of closure of the subscription period.)</p> | <p>The Mutual Fund seeks to collect a minimum subscription amount of Rs. 10 (Ten) crore in the Scheme during the NFO period. In the event this amount is not raised during the NFO period, the amount collected under the Scheme will be refunded to the applicants as mentioned in the section, 'Refund'.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <p><b>Maximum Amount to be raised</b><br/>(This is the maximum amount which can be collected during the</p>                                                                                                                                                                                                                                                                                                                                                                                                     | <p>There is no maximum subscription amount for the Scheme to be raised and therefore, subject to the applications being in accordance with the terms of this offer, full allotment will be made to the applicants.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |

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|-------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| NFO period, as decided by the AMC.)             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>Plans/Options available under the Scheme</b> | <p>There are no plans under the Scheme. The scheme offers only Growth Option.</p> <p>The Trustees/ AMC reserves the right to introduce further Plan/ Options as and when deemed fit, subject to the SEBI (MF) Regulations.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>IDCW Policy</b>                              | There is no IDCW Policy as the Scheme currently does not offer any IDCW Option.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>Dematerialisation</b>                        | <p>a) The units of the Scheme will be available ONLY in the Dematerialized mode.</p> <p>b) The applicant under the Scheme will be required to have a beneficiary account with a Depository Participant of NSDL/CDSL and will be required to indicate in the application the DP's name, DP ID Number and beneficiary account number of the applicant with the DP.</p> <p>c) The units of the Scheme will be issued/ repurchased and traded compulsorily in dematerialized form. Applications without relevant details of his or her depository account are liable to be rejected.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>Allotment</b>                                | <ul style="list-style-type: none"> <li>• 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</li> <li>• Clear funds should be available to the Fund One business day prior to the date of allotment in respect of all purchase applications received during the NFO period. All cases where clear funds have not been identified or received for whatsoever reasons, including technical clearing reasons, will not be considered for allotment and the amount will be refunded to the investor in due course. The AMC will not entertain any claims of allotment or compensation in such cases.</li> <li>• 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.</li> <li>• Allotment to NRIs/FPs 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.</li> <li>• 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.</li> <li>• 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.</li> </ul> <p>Final Allotment will be made in whole numbers. No fractional units will be allotted.</p> |
| <b>Allotment confirmation</b>                   | <p>Information about allotment of Units stating the number of Units allotted shall be sent within 5 Business Days from the close of the NFO Period of the Scheme. Allotment confirmation specifying the number of Units allotted shall be sent to the Unit holders at their registered e-mail address and/or mobile number by way of email and/or SMS within 5 Business Days from the date of receipt of transaction request.</p> <p>As the units of the Scheme will be issued, traded and settled compulsorily in dematerialized (electronic) form, the statement provided by the Depository Participant will be equivalent to the account statement.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Refund</b>                                   | <ul style="list-style-type: none"> <li>• 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.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |

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|                                                                                                                                                                                          | <ul style="list-style-type: none"> <li>• Refund of subscription money to applicants whose applications are invalid for any reason whatsoever, will commence immediately after the closure of the NFO subject to receipt of funds.</li> <li>• Refunds will be completed within 5 Business Days from the closure of the New Fund Offer Period. If the Mutual Fund refunds the amount after 5 Business Days, interest as specified by SEBI (currently, 15% per annum) shall be paid by the AMC. As per the directives issued by SEBI, it is mandatory for Applicants to mention their bank account numbers in their applications for purchase of Units.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <p><b>Who can invest?</b><br/>(This is an indicative list and you are requested to consult your financial advisor to ascertain whether the Scheme is suitable to your risk profile.)</p> | <p>The following persons (subject to, wherever relevant, purchase of units of mutual funds, being permitted under respective constitutions, and relevant statutory regulations) are eligible and may apply for subscription to the Units of the Scheme:</p> <ul style="list-style-type: none"> <li>• Resident Adult Individuals either singly or jointly (not exceeding three)</li> <li>• Minors through parent/legal guardian</li> <li>• 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)</li> <li>• Religious, Charitable and Private Trusts, under the provisions of 11(5) of Income Tax Act, 1961 read with Rule 17C of Income Tax Rules, 1962 (subject to receipt of necessary approvals as "Public Securities", where required)</li> <li>• Trustee of private trusts authorised to invest in mutual fund Scheme under the Trust Deed</li> <li>• Partnership Firms</li> <li>• Karta of Hindu Undivided Family (HUF)</li> <li>• Banks (including Co-operative Banks and Regional Rural Banks) and Financial Institutions</li> <li>• NRIs/Persons of Indian Origin residing abroad on full repatriation basis (subject to RBI approval, if any) or on non-repatriation basis</li> <li>• Foreign Portfolio Investors (FPI) as defined in Regulation 2(1) (h) of Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014</li> <li>• Army, Air Force, Navy and other para-military funds</li> <li>• Scientific and Industrial Research Organisations</li> <li>• International Multilateral Agencies approved by the Government of India</li> <li>• Non-Government Provident/Pension/Gratuity funds as and when permitted to invest</li> <li>• Mutual Funds registered under the SEBI (Mutual Funds) Regulations, 1996</li> <li>• Others who are permitted to invest in the Scheme as per their respective constitutions</li> <li>• The scheme of the Mutual Fund, subject to the conditions and limits prescribed in SEBI (MF) Regulations and/or by the Trustee, AMC or Sponsors (The AMC shall not charge any fees on such investments).</li> <li>• The AMC (No fees shall be charged on such investments).</li> </ul> <p>Note: For Investments 'On behalf of Minor': Where the investment is on behalf of minor by the guardian, please note the following important points.</p> <ol style="list-style-type: none"> <li>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.</li> <li>b. Guardian of the minor should either be a natural guardian (i.e. father or mother) or a court appointed legal guardian.</li> <li>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 <ol style="list-style-type: none"> <li>i) Birth certificate of the minor, or</li> <li>ii) School leaving certificate / Mark sheet issued by Higher Secondary Board of respective states, ICSE, CBSE etc., or</li> <li>iii) Passport of the minor, or</li> <li>iv) any other suitable proof should be attached with the application form.</li> </ol> </li> </ol> |

- d. Where the guardian is not a natural guardian (father or mother) and is a court appointed legal guardian, suitable supporting documentary evidence should be provided.
- e. If the mandatory details and/or documents are not provided, the application is liable to be rejected without any information to the applicant.
- f. Payment towards subscription/investment through any mode in units of the schemes of Fund shall be accepted from the bank account of the minor, bank account of the parent or legal guardian of the minor, or from a joint bank account of the minor with parent or legal guardian.
- g. All redemption proceeds shall be credited only in the verified bank account of the minor or a joint bank account of the minor with the parent or legal guardian after completing all KYC formalities.

Further, all other requirement for investments by minor and process of transmission shall be followed in line with clause 17.6 of SEBI Master Circular read with SEBI Circular no. SEBI/HO/IMD/POD-II/CIR/P/2023/0069 dated May 12, 2023 as amended from time to time.

**Aggregate investment in the scheme under the following categories:**

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

The above investment indicates details of investment where the said Director/personnel is the first holder.

\*Investments made by Mr. Kalpen Parekh (Managing Director and Chief Executive officer, DSP Asset Managers Private Limited) and Ms. Aditi Kothari Desai (Director and Head- Digital, Marketing, Strategy & New Initiatives, DSP Asset Managers Private Limited) have been considered under the category of AMC's Board of Directors.

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

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

- No fresh purchases/additional purchases/switches in any Schemes of the Fund would be allowed. However, existing Unit Holder(s) will be allowed to redeem their units from the Schemes of the Fund. If an existing Unit Holder(s) subsequently becomes a U.S. Person or Resident of Canada, then such Unit Holder(s) will not be able to purchase any additional Units in any of the Scheme of the Fund.

However, subscription (including systematic investments) and switch transactions requests received from U.S. persons who are Non-resident Indians (NRIs) /Persons of Indian origin (PIO) and at the time of such investment, are present in India and submit a physical transaction request along with such documents as may be prescribed by the AMC/ Trustee Company from time to time shall be accepted.

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

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|-------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                         | <ul style="list-style-type: none"> <li>• For transaction from Stock Exchange platform, while transferring units from the broker account to investor account, if the investor has U.S./Canadian address then the transactions, subject to the abovementioned conditions, may be rejected.</li> <li>• In case the AMC/Fund subsequently identifies that the subscription amount is received from U.S. Person(s) or Resident(s) of Canada, in that case the AMC/Fund at its discretion shall redeem all the units held by such person from the Scheme of the Fund at applicable Net Asset Value.</li> </ul> <p><b>Applicability and provisions of Foreign Account Compliance Act (FATCA)</b><br/>For further details relating to FATCA, investors are requested to refer SAI which is available on the website viz. <a href="http://www.dspim.com">www.dspim.com</a></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <p><b>Where can you submit filled up applications for purchase?</b></p> | <p>During the NFO Applications can be submitted at any of the official points of acceptance of transactions before the close of the office business hours. The addresses are given at the end of this SID. Investors can log on to <a href="http://www.camsonline.com">www.camsonline.com</a> for details of various offices/ISCs of Registrar.</p> <p>The Investors can also purchase Units under the Scheme during NFO by placing an order through the stock exchange platform. Please refer to ‘Trading in Units through Stock Exchange mechanism’ under ‘A. New Fund Offer Details’, for detailed provisions.</p> <p>ASBA applications can be submitted only at SCSB at their designated branches. List of SCSBs and their designated branches shall be displayed on the SEBI’s website (<a href="http://www.sebi.gov.in">www.sebi.gov.in</a>).</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <p><b>How to Apply?</b></p>                                             | <ul style="list-style-type: none"> <li>• Please refer to the SAI and application form for instructions.</li> <li>• 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’.</li> <li>• 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.</li> </ul> <p>Application form and Key Information Memorandum may be obtained from Official Points of Acceptance (OPAs) / Investor Service Centres (ISCs) of the AMC or RTA or Distributors or can be downloaded from our website <a href="http://www.dspim.com">www.dspim.com</a>.</p> <p>The list of the OPA / ISC are available on our website as well. Please refer to the SAI and Application form for further details and the instructions.</p>                                                                                                                                                                                                                                                                                                                                                                                                           |
| <p><b>Listing and Transfer of Units</b></p>                             | <p>The Units of the scheme will be listed on National Stock Exchange of India Limited and BSE Ltd and/or any recognised stock exchanges as may be decided by AMC from time to time. The Units of the Scheme may be bought or sold on all trading days at prevailing listed price on such Stock Exchange(s). The AMC will appoint Market Makers to provide liquidity in secondary market on an ongoing basis. The Market Maker(s) would offer daily two-way quote (buy and sell quotes) in the market.</p> <p>Alternatively, the Market Makers and Large Investors may subscribe to and/or redeem the units of the Scheme with the Mutual Fund on any business day during the ongoing offer period commencing not later than 5(five) business days from the date of allotment at a price equivalent to applicable NAV and transaction charges, if any, provided the units offered for subscription and/or redemption are not less than Creation Unit size &amp; in multiples thereof.</p> <p>All investors including Market Maker(s), Large Investors and other investors may sell their units in the stock exchange(s) on which these units will be listed on all the trading days of the stock exchange.</p> <p>Mutual fund will repurchase units from Market Maker(s) and Large Investors on any business day provided the value of units offered for repurchase is not less than creation unit size. The redemption consideration shall normally be the basket of securities represented <b>S&amp;P BSE Liquid Rate Index</b> in the same</p> |

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|                                                          | weightage as in the Index and cash component.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>Trading in Units through Stock Exchange Mechanism</b> | <p>The facility of transacting through the stock exchange mechanism enables investors to buy and sell the Units of the Scheme(s) through the stock brokers registered with the BSE and/or NSE in accordance with the guidelines issued by SEBI and operating guidelines and directives issued by NSE and/or BSE or such other recognized stock exchange in this regard and agreed with the Asset Management Company/Registrar and Transfer Agent. The investor shall be serviced directly by such stock brokers/ Depository Participant. The Mutual Fund will not be in a position to accept any request for transactions or service requests in respect of Units bought under this facility in demat mode.</p> <p>Transactions conducted through the Stock Exchange mechanism shall be governed by the SEBI (Mutual Funds) Regulations 1996 and operating guidelines and directives issued by NSE, BSE or such other recognized exchange in this regard.</p> <p>Further, in line with clause 16.2.12 of SEBI Master Circular as amended from time to time, investors can directly buy/redeem Units of the Scheme(s) through stock exchange platform.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Payment details</b>                                   | <p>The CTS enabled cheque or demand draft should be drawn in favour of the 'Scheme Name', as the case may be, and should be crossed Account Payee Only.</p> <p>Applications not specifying Schemes/Plans/Options and/or accompanied by cheque/demand drafts/account to account transfer instructions favouring Schemes/Plans/Options other than those specified in the application form are liable to be rejected.</p> <p>Further, where the Scheme name as written on the application form and on the payment instrument differs, the proceeds may, at the discretion of the AMC be allotted in the Scheme as mentioned on the application form.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Special facilities available during the NFO</b>       | <p><b>Switching</b></p> <p>During the NFO period switch request will be accepted upto 3.00 p.m. as per the timelines stated below, The Unit holders will be able to invest into the NFO of the Scheme by switching part or all of their Unit holdings held in the existing schemes of the Mutual Fund.</p> <p>a) For T+1 payout schemes till 3.00 p.m. on the last day of the NFO,<br/> b) For T+3 payout schemes till 3.00 p.m. on the last day of the NFO,<br/> c) For T+5 payout schemes till 3.00 p.m. 3 business days prior to the last day of the NFO</p> <p>The funds from the switch out schemes into the switch in scheme should be received within T+2 days from the date of closure of the NFO.</p> <p>Any switch applications received beyond the above mentioned timelines will be rejected.</p> <p>A switch has the effect of redemption from one scheme/plan/option and a purchase in the other scheme/plan/option to which the switching has been done. The price at which the units will be switched-out will be based on the redemption price of the scheme from which switch-out is done and the proceeds will be invested into the Scheme at the NFO Price.</p> <p>Unit holders are requested to note that application for switch-out for units for which funds are not realized via purchase or switch-in in the scheme of the Fund shall be liable to be rejected. In other words, switch out of units will be processed only if the funds for such units are realized in the scheme by a way of payment instructions/transfer or switch-in funding process.</p> <p>Further, all switch funding shall be in line with redemption funding timelines adopted by the concerned scheme i.e. if a scheme follows T+3 payout for redemption, the switch out funding should also be made on the T+3 and not earlier or later than T+3, where T is the day of transaction. The funds from</p> |



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|                                                                                                                                                                         | <p>the switch out schemes into the switch in scheme should be received within One business day prior to the allotment date.</p> <p>If the NFO of the scheme is called off for any reason whatsoever, the Switch Out amount from other schemes to the NFO scheme will be paid to the investor within 5 Business Days of the closure of the NFO, similar to a redemption from Switch out scheme. Investors should note that the Switch transaction will not be nullified and the switch amount will be paid out as redemption. Further, such payments will not qualify as delayed payments and no interest will be payable by the Fund/AMC/RTA in such cases where the payment date is beyond 3 days of the switch out date, as the switch transactions are accepted from the first day of the entire NFO period and the NFO may be called off after the closure of NFO</p> <p><b>(i) Applications Supported by Blocked Amount (ASBA) facility</b><br/>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. <b>Please refer the SAI and ASBA application form for complete details on ASBA.</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <p>The policy regarding reissue of repurchased units, including the maximum extent, the manner of reissue, the entity (the Scheme or the AMC) involved in the same.</p> | <p>Not Applicable.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <p>Restrictions, if any, on the right to freely retain or dispose off units being offered.</p>                                                                          | <p>In the event of an order being received from any regulatory authority/body, directing attachment of the Units of any investor, redemption of Units will be restricted in due compliance of such order.</p> <p><b>Suspension/Restriction on Redemption of Units of the Scheme(s):</b></p> <p>Subject to the approval of the Boards of the AMC and of the Trustee and subject also to necessary communication of the same to SEBI, the redemption of / switch-out of Units of Scheme(s) of the Fund, may be temporarily suspended/ restricted. In accordance with clause 1.12 of SEBI Master Circular and subject to prevailing regulations, restriction on/suspension of redemptions / switch-out of Units of the Scheme(s) of the Fund, may be imposed when there are circumstances leading to systemic crisis or event that severely constricts market liquidity or the efficient functioning of markets such as:</p> <ul style="list-style-type: none"> <li>a) Liquidity issues: when market at large becomes illiquid affecting almost all securities rather than any issuer specific security;</li> <li>b) Market failures, exchange closures: when markets are affected by unexpected events which impact the functioning of exchanges or the regular course of transactions. Such unexpected events could also be related to political, economic, military, monetary or other emergencies;</li> <li>c) Operational issues: when exceptional circumstances are caused by force majeure, unpredictable operational problems and technical failures (e.g. a black out).</li> </ul> <p>Restriction on / suspension of redemption of Units of the Scheme(s) may be imposed for a specified period of time not exceeding 10 working days in any 90 days' period.</p> <p>When restriction on / suspension of redemption of Units of the Scheme(s) is imposed, the following procedure shall be applied:</p> <ul style="list-style-type: none"> <li>i. No redemption / switch-out requests upto Rs. 2 lakhs shall be subject to such restriction.</li> <li>ii. Where redemption / switch-out requests are above Rs. 2 lakhs, the</li> </ul> |

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|                                                                                                                                                                            | <p>AMC shall redeem the first Rs. 2 lakhs without such restriction and remaining part over and above Rs. 2 lakhs shall be subject to such restriction.</p> <p>Also refer to the section ‘Suspension of Purchase and Redemption of Units’ in the Statement of Additional Information.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <p><b>Facility to transact in units of the Schemes through MF Utility portal &amp; MFUI Points of Services pursuant to appointment of MF Utilities India Pvt. Ltd.</b></p> | <p>The AMC has entered into an Agreement with MF Utilities India Pvt. Ltd. (MFUI), for usage of MF Utility (“MFU”) - a shared services initiative of various Asset Management Companies, which acts as a transaction aggregation portal for transacting in multiple schemes of various Mutual Funds with a single form and a single payment instrument.</p> <p>Investors can execute financial and non-financial transactions pertaining to Schemes of the Fund electronically on the MFU portal i.e. <a href="http://www.mfuonline.com">www.mfuonline.com</a> as and when such a facility is made available by MFUI. The MFU portal i.e. <a href="http://www.mfuonline.com">www.mfuonline.com</a> will be considered as Official Point of Acceptance for such transactions.</p> <p>The Points of Service (“POS”) of MFUI with effect from the respective dates as published on MFUI website i.e. <a href="http://www.mfuindia.com">www.mfuindia.com</a> against the POS locations will be considered as Official Point of Acceptance/ Investor Services Centre where application for financial transactions in schemes of the Fund will be accepted on an ongoing basis. Further, investors can also submit their non-financial transaction requests at the POS.</p> <p>The salient features of the facility to transact in units of the Schemes through MFU are given below:</p> <ol style="list-style-type: none"> <li><b>1. Common Account Number (“CAN”):</b> Investors are required to submit duly filled in CAN Registration Form (“CRF”) and prescribed documents at the MFUI POS to obtain CAN. The CRF can be downloaded from MFUI website i.e. <a href="http://www.mfuindia.com">www.mfuindia.com</a> or can be obtained from MFUI POS.</li> </ol> <p>CAN is a single reference number for all investments in the Mutual Fund industry, for transacting in multiple schemes of various Mutual Funds through MFU and to map existing investments, if any.</p> <p>MFU will map the existing folios of investors in various schemes of Mutual Funds to the CAN to enable transacting across schemes of Mutual Funds through MFU. The AMC and / or its Registrar and Transfer Agent (RTA) shall provide necessary details to MFUI as may be needed for providing the required services to investors / distributors through MFU.</p> <p>CAN registered investors can transact in physical mode through MFUI POS by submitting relevant Common Transaction Form prescribed by MFUI.</p> <ol style="list-style-type: none"> <li><b>2. CAN registered investors can transact through electronic mode through MFU portal i.e. <a href="http://www.mfuonline.com">www.mfuonline.com</a> as and when such a facility is made available to them by MFUI. The time of transaction submission done through MFU portal i.e. <a href="http://www.mfuonline.com">www.mfuonline.com</a> and the successful receipt of the same in the servers of MFUI would be the time-stamp for the transaction.</b></li> <li><b>3. Investors not registered with MFUI can also submit their financial &amp; non-financial transactions request at MFUI POS by giving reference of their existing folio number allotted by the Fund.</b></li> <li><b>4. The transactions on the MFU portal shall be subject to the terms &amp; conditions as may be stipulated by MFUI / Mutual Fund / the AMC from time to time.</b></li> <li><b>5. All other terms and conditions of offering of the Scheme as specified in the SID, KIM and SAI shall be applicable to transaction through MFUI.</b></li> </ol> |

## B. ONGOING OFFER DETAILS

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| <p><b>Ongoing Offer Period</b></p> <p>(This is the date from which the Scheme will reopen for subscriptions/redemptions after the closure of the NFO period)</p> | <p>The Scheme shall re-open for ongoing subscription within 5 business days from the date of allotment.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <p><b>Plans and Options offered under the Scheme</b></p>                                                                                                         | <p>There are no plans under the Scheme. The scheme offers only Growth Option.</p> <p>The Trustees/ AMC reserves the right to introduce further Plan/ Options as and when deemed fit, subject to the SEBI (MF) Regulations.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <p><b>Ongoing price for subscription (purchase) by investors:</b></p>                                                                                            | <ul style="list-style-type: none"> <li>• <b>For Subscription of units directly with the Mutual Fund:</b></li> </ul> <p>Ongoing purchases directly from the Mutual Fund would be restricted to Market Makers and Large Investors, provided the value of units to be purchased is in Creation Unit size and in multiples of 1(One) Unit thereof. Market Makers / Large Investors may buy the units on any Business Day of the Scheme directly from the Mutual Fund at Intra Day NAV:</p> <ul style="list-style-type: none"> <li>▪ in exchange of the Portfolio Deposit, Cash Component and any other applicable transaction charges; or</li> <li>▪ by depositing basket of securities comprising <b>S&amp;P BSE Liquid Rate ETF</b> along with the cash component and applicable transaction charges.</li> </ul> <p>The Creation Unit size will be 2500 units.</p> <p>No kind of credit facility would be extended during creation of units. The Fund may from time to time change the size of the Creation Unit in order to equate it with marketable lots of the underlying instruments.</p> <ul style="list-style-type: none"> <li>• <b>For Subscription through Stock Exchange(s):</b></li> </ul> <p>All categories of investors may purchase the Units of the Scheme through the Stock Exchange(s) on which the units of the Scheme are listed, on any trading day in round lot of one (1) Unit and multiples thereof at the prevailing listed price. The transactions (trading) in the Stock Exchange(s) shall be subject to the Regulations, Bye laws and Rules applicable to the Stock Exchanges and its clearing house respectively. The trading members shall be responsible for delivering the units to the demat account of the investors on successful completion of settlement. Investors are advised to contact their trading members to understand the various cut-off times to meet their fund pay-in obligations for ensuring successful settlement of their transactions.</p> <p><b>Note:</b></p> <p>Market Maker/Large Investor for subscription/redemption of <b>DSP S&amp;P BSE Liquid Rate ETF</b> Units directly with the Fund in “Creation Unit Size” will have to reimburse transaction handling charges incurred by the Fund/AMC. Transaction handling charges include brokerage, Securities transaction tax, regulatory charges if any, depository participant charges, uploading charges, corporate action charges and such other charges that the mutual fund may have to incur in the course of cash subscription/redemption or accepting the Portfolio Deposit or for giving a portfolio of securities as consideration for a redemption request.</p> <p>The AMC will appoint Market Makers to provide liquidity in secondary market on an ongoing basis. The Market Maker(s) would offer daily two-way quote in the market. The applicant under the Scheme will be required to have a beneficiary account with a Depository Participant of NSDL/CDSL and will be required to indicate in the Application Form the Depository Participants (DP"s) name, DP ID Number and the beneficiary account number of the applicant.</p> |

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|                                                                 | <p><b>Procedure for creation of DSP S&amp;P BSE Liquid Rate ETF units in Creation Unit size:</b></p> <ul style="list-style-type: none"> <li>The Fund/AMC allows cash/exchange of Portfolio Deposit for Purchase of Units of the Scheme in Creation Unit size by Large Investors/Market Makers.</li> </ul> <p>Purchase request for Creation Unit shall be made by such Investor to the Fund/AMC where upon the Fund/AMC will arrange to buy the underlying portfolio Securities. The Portfolio Deposit and/or Cash Component will be exchanged for units of the Scheme in Creation Unit size.</p> <ul style="list-style-type: none"> <li>Creation of Units in exchange of Portfolio Deposit: The requisite Securities constituting the Portfolio Deposit have to be transferred to the Fund's Depository Participant account while the Cash Component has to be paid to the Fund's bank account. On confirmation of the same by the Custodian/AMC, the AMC will create and transfer the equivalent number of Units of the Scheme into the Investor's Depository Participant account and pay/ recover the Cash Component and transaction handling charges, if any.</li> <li>Creation of Units in Cash: For subscription of <b>DSP S&amp;P BSE Liquid Rate ETF</b> Units in Creation Unit Size will be made by payment of requisite Cash, as determined by the AMC equivalent to the cost incurred towards the purchase of predefined basket of securities that represent the underlying index (i.e. portfolio deposit), Cash Component and transaction handling charges, if any, only by means of payment instruction of Real Time Gross Settlement (RTGS) / National Electronic Funds Transfer (NEFT) or Funds Transfer Letter of a bank where the Scheme has a collection account.</li> <li>The Creation Unit will be subject to transaction handling charges incurred by the Fund/AMC. Such transaction handling charges shall be recoverable from the transacting Market Maker or Large Investor.</li> <li>The Portfolio Deposit and/or Cash Component for units of the Scheme may change from time to time on account of change in underlying index constituents, corporate actions, percentage of cash maintained in the fund, etc.</li> <li>The investors are requested to note that the Units of the Scheme will be credited into the Investor's Depository Participant account only on receipt of Cash Component and transaction handling charges, if any.</li> </ul> <p>"Creation Unit size" is fixed number of units of the Scheme, which is exchanged for a pre-defined basket of securities underlying the designated index called the Portfolio Deposit and/or a Cash Component equal to the value of 2500 units of the Scheme. Each Creation Unit size consists of 2500 units of <b>DSP S&amp;P BSE Liquid Rate ETF</b>.</p> |
| <p><b>Ongoing price for redemption (sale) by investors:</b></p> | <p><b>a. For Redemption of units directly with the Mutual Fund: (Market Makers &amp; Large Investors)</b></p> <p>Mutual Fund will repurchase units from Market Makers / Large Investors on any Business Day in Creation Unit size at applicable intra-day NAV, based on the executed price at which the securities representing the underlying index are purchased/sold, subject to applicable exit load; if any. Currently there is no Exit Load. However, transaction charges payable to Custodian/Depository Participants, and other incidental charges relating to conversion of units into basket of securities may be deducted from redemption proceeds.</p> <p><b>b. For Redemption of units directly with the Mutual Fund: (Other than Market Makers) in exceptional circumstances:</b></p> <ul style="list-style-type: none"> <li>Traded price (closing price) of the ETF units is at discount of more than 1% to the day end NAV for 7 continuous trading days, or</li> <li>No quotes for such ETFs are available on stock exchange(s) for 3 consecutive trading days, or</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |

iii. Total bid size on the exchange is less than half of creation units size daily, averaged over a period of 7 consecutive trading days. Such instances shall be tracked by the AMC on an ongoing basis and in case any of the above mentioned scenario arises, the same shall be disclosed on the website of the Mutual Fund.

In case of the above scenarios, applications received from investors for redemption up to 3.00 p.m. on any trading day, shall be processed by the AMC at the closing NAV of the day.

**c. For Redemption through Stock Exchange(s):**

All categories of investors may sell the Units of the Scheme through the Stock Exchange(s) on which the units of the Scheme are listed, on any trading day in round lot of one (1) Unit and multiples thereof.

**Note:** The transaction handling charges which include brokerage, Securities transaction tax, regulatory charges if any, depository participant charges, uploading charges and such other charges that the mutual fund/AMC may have to incur in the course of cash subscription/ redemption or accepting the portfolio deposit or for giving a portfolio of securities as consideration for a redemption request, shall be recoverable from the transacting Market Maker or Large Investor. As required under the Regulations, while determining the price of the units, the mutual fund shall ensure that the repurchase price of an open ended scheme is not lower than 95 per cent of the Net Asset Value.

**Procedure for Redemption in Creation Unit size**

- The requisite number of Units of the Scheme equivalent to the Creation Unit has to be transferred to the Fund's Depository Participant account and the Cash Component to be paid to the Fund's bank account.
- On confirmation of the same by the AMC, the AMC will transfer the Portfolio Deposit to the Investor's Depository Participant account and pay/recover the Cash Component and transaction handling charges, if any.
- The Fund may allow cash Redemption of the Units of the Scheme in Creation Unit size by Large Investors/ Market Maker.
- Such Investors shall make Redemption request to the Fund/AMC whereupon the Fund/AMC will arrange to sell underlying portfolio Securities on behalf of the Investor. Accordingly, the sale proceeds of portfolio Securities, after adjusting the Cash Component and transaction handling charges will be remitted to the Investor.

**Note:**

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

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

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

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

In the event of an order being received from any regulatory authority/body, directing attachment of the Units of any investor, redemption of Units will be restricted in due compliance of such order.

**Suspension/Restriction on Redemption of Units of the Scheme**

Subject to the approval of the Boards of the AMC and of the Trustee and subject also to necessary communication of the same to SEBI, the redemption of / switch-out of Units of Scheme(s) of the Fund, may be temporarily suspended/ restricted. In accordance with clause 1.12 of SEBI Master Circular and subject to prevailing regulations, restriction on/suspension of redemptions / switch-out of Units of the Scheme(s) of the Fund, may be imposed when there are circumstances leading to systemic crisis or event that severely constricts market liquidity or the efficient functioning of markets such as:

- a) Liquidity issues: when market at large becomes illiquid affecting almost all securities rather than any issuer specific security;
- b) Market failures, exchange closures: when markets are affected by unexpected events which impact the functioning of exchanges or the regular course of transactions. Such unexpected events could also be related to political, economic, military, monetary or other emergencies;
- c) Operational issues: when exceptional circumstances are caused by force majeure, unpredictable operational problems and technical failures (e.g. a black out).

Restriction on / suspension of redemption of Units of the Scheme(s) may be imposed for a specified period of time not exceeding 10 working days in any 90 days period.

When restriction on / suspension of redemption of Units of the Scheme(s) is imposed, the following procedure shall be applied:

- i. No redemption / switch-out requests upto Rs. 2 lakhs shall be subject to such restriction.
- ii. Where redemption / switch-out requests are above Rs. 2 lakhs, the AMC shall redeem the first Rs. 2 lakhs without such restriction and remaining part over and above Rs. 2 lakhs shall be subject to such restriction.

|                                                                                                                                                                                                                                                                                         | Also refer to the section 'Suspension of Purchase and Redemption of Units' in the Statement of Additional Information.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |             |                |                                                                                                                                                                                                                                               |                                                                                                          |                                                                                                                                                                                                                                                                                         |                                                                                                                                          |                                                                                                                                                                                                                                               |                                                                   |
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| <b>Cut off timing for subscriptions/ redemptions</b>                                                                                                                                                                                                                                    | <p><b>Cut-off timing for Subscriptions/ Redemptions</b></p> <p>Investors / Unit holders to note that the below mentioned Cut-off time are not applicable to transactions undertaken on a recognised stock exchange and are only applicable to transactions undertaken at the Official Points of Acceptance.</p> <p><b>Cut off timing for Subscriptions:</b></p> <table border="1" data-bbox="475 495 1423 1182"> <thead> <tr> <th data-bbox="475 495 1082 528">Particulars</th> <th data-bbox="1082 495 1423 528">Applicable NAV</th> </tr> </thead> <tbody> <tr> <td data-bbox="475 528 1082 719">1. Where the application is received up to cut-off time of 1.30 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 before the cut-off time.</td> <td data-bbox="1082 528 1423 719">NAV at the close of the day immediately preceding the day of receipt of application shall be applicable.</td> </tr> <tr> <td data-bbox="475 719 1082 965">2. Where the application is received at the official point(s) of acceptance on a Business Day, irrespective of the time of receipt of subscription/purchase application, and the funds are not available for utilization before the cut-off time of 1:30 p.m. on the same Business Day.</td> <td data-bbox="1082 719 1423 965">NAV at the close of the day immediately preceding the Business Day on which the funds are available for utilization shall be applicable.</td> </tr> <tr> <td data-bbox="475 965 1082 1182">3. where the application is received after 1.30 p.m. on a day at the Official Point(s) of Acceptance and the entire funds are available for utilization on the same day without availing any credit facility, whether, intra-day or otherwise</td> <td data-bbox="1082 965 1423 1182">Closing NAV of the day immediately preceding the next Working Day</td> </tr> </tbody> </table> <p>For allotment of Units in respect of Purchase, it shall be ensured that Application is received before the applicable Cut-off time.</p> <ol style="list-style-type: none"> <li>1. Funds for the entire amount of Subscription /Purchase as per the application are credited to the bank account of the respective liquid Scheme before the Cut-off time.</li> <li>2. The funds are available for utilization before the Cut-off time without availing any credit facility whether intra-day or otherwise, by the respective liquid Scheme.</li> </ol> <p>The above provisions of Cut-off timings for Subscriptions are applicable for Purchase of Units directly with the Fund. However, DSP S&amp;P BSE Liquid Rate ETF, being an Exchange Traded Fund (ETF), the above provisions will not be applicable for Purchase of Units on the stock exchanges in which case the timings of the stock exchanges will be applicable.</p> <p><b>Cut off timing for Redemptions:</b></p> <ol style="list-style-type: none"> <li>1. In respect of valid applications received upto 3.00 pm by the Fund, the closing NAV of the day immediately preceding the next Working Day.</li> <li>2. In respect of valid applications received after 3.00 pm by the Fund, closing NAV of the next Working Day shall be applicable.</li> </ol> <p>As the Units issued under the Scheme are listed, the provisions of the Cut-off time are not applicable for transactions on the stock exchange.</p> | Particulars | Applicable NAV | 1. Where the application is received up to cut-off time of 1.30 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 before the cut-off time. | NAV at the close of the day immediately preceding the day of receipt of application shall be applicable. | 2. Where the application is received at the official point(s) of acceptance on a Business Day, irrespective of the time of receipt of subscription/purchase application, and the funds are not available for utilization before the cut-off time of 1:30 p.m. on the same Business Day. | NAV at the close of the day immediately preceding the Business Day on which the funds are available for utilization shall be applicable. | 3. where the application is received after 1.30 p.m. on a day at the Official Point(s) of Acceptance and the entire funds are available for utilization on the same day without availing any credit facility, whether, intra-day or otherwise | Closing NAV of the day immediately preceding the next Working Day |
| Particulars                                                                                                                                                                                                                                                                             | Applicable NAV                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |             |                |                                                                                                                                                                                                                                               |                                                                                                          |                                                                                                                                                                                                                                                                                         |                                                                                                                                          |                                                                                                                                                                                                                                               |                                                                   |
| 1. Where the application is received up to cut-off time of 1.30 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 before the cut-off time.                                           | NAV at the close of the day immediately preceding the day of receipt of application shall be applicable.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |             |                |                                                                                                                                                                                                                                               |                                                                                                          |                                                                                                                                                                                                                                                                                         |                                                                                                                                          |                                                                                                                                                                                                                                               |                                                                   |
| 2. Where the application is received at the official point(s) of acceptance on a Business Day, irrespective of the time of receipt of subscription/purchase application, and the funds are not available for utilization before the cut-off time of 1:30 p.m. on the same Business Day. | NAV at the close of the day immediately preceding the Business Day on which the funds are available for utilization shall be applicable.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |             |                |                                                                                                                                                                                                                                               |                                                                                                          |                                                                                                                                                                                                                                                                                         |                                                                                                                                          |                                                                                                                                                                                                                                               |                                                                   |
| 3. where the application is received after 1.30 p.m. on a day at the Official Point(s) of Acceptance and the entire funds are available for utilization on the same day without availing any credit facility, whether, intra-day or otherwise                                           | Closing NAV of the day immediately preceding the next Working Day                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |             |                |                                                                                                                                                                                                                                               |                                                                                                          |                                                                                                                                                                                                                                                                                         |                                                                                                                                          |                                                                                                                                                                                                                                               |                                                                   |

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|                                                                                | <p>Pursuant to the SEBI Circular no. SEBI/HO/IMD/DOF2/P/CIR/2022/69 dated May 23, 2022, the requirement of “cut-off” timing for NAV applicability as prescribed by SEBI from time to time shall not be applicable for direct transaction with AMCs in ETFs by Market Makers and other eligible investors.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <p><b>Where can the applications for purchase/redemption be submitted?</b></p> | <p>On an Ongoing basis the transaction requests (applicable for Market Makers/Large Investors) can be submitted at the head office of the AMC. In case the applications are received at any of the branch offices of the AMC, such branch office shall facilitate in sending the transaction requests to the head office of the AMC.</p> <p><b>Minimum Application Amount (subscription/redemption/switches):</b></p> <p><b>On The Exchange:</b></p> <p>Investors can subscribe (buy) and redeem (sell) Units on a continuous basis on the Stock Exchange on which the Units are listed. Subscriptions made through Stock Exchanges will be made by specifying the number of Units to be subscribed and not the amount to be invested. On the Stock Exchange(s), the Units of the Scheme can be purchased/sold in minimum lot of 1 (one) Unit and in multiples thereof.</p> <p><b>Directly from the Fund:</b></p> <p>The Scheme offers for subscriptions/redemptions only for Market Makers and Large Investors in “Creation Unit Size” on all Business Days. Additionally, the difference in the value of portfolio and cost of purchase/sale of Portfolio Deposit on the Exchange for creation/redemption of Units of the Scheme including the Cash Component and transaction handling charges, if any, will have to be borne by the Market Maker/Large Investor.</p> <p>The Fund creates/redeems Units of the Scheme in large size known as “Creation Unit Size”. Each “Creation Unit” consists of 2500 Units of <b>DSP S&amp;P BSE Liquid Rate ETF</b>. The value of the “Creation Unit” is the “Portfolio Deposit” and a “Cash Component” which will be exchanged for 2500 Units of the Scheme and/or subscribed in cash equal to the value of said predefined units of the Scheme.</p> <p>The Portfolio Deposit and Cash Component for the Scheme may change from time to time.</p> <p>The subscription/redemption of Units of the Scheme in Creation Unit Size will be allowed both by means of exchange of Portfolio Deposit and by cash.</p> <p>The Fund may from time to time change the size of the Creation Unit in order to equate it with marketable lots of the underlying instruments.</p> |
| <p><b>Minimum amount for Purchase/Redemption</b></p>                           | <p>Investors can subscribe (buy) and redeem (sell) Units on a continuous basis on the NSE/BSE on which the Units are listed. Subscriptions made through Stock Exchanges will be made by specifying the number of Units to be subscribed and not the amount to be invested. On the Stock Exchange(s), the Units of the Scheme can be purchased/sold in minimum lot of 1 (one) Unit and in multiples thereof.</p> <p>The Scheme offers for subscriptions/redemptions only for Market Makers and Large Investors in ‘Creation Unit Size’ on all Business Days at a price determined on the intra-day NAV based on the executed price at which the securities representing the underlying index are purchased/sold.</p> <p>Additionally, the difference in the value of portfolio and cost of purchase/sale of Portfolio Deposit on the Exchange for creation/redemption of Units including the Cash Component and transaction handling charges, corporate action charges, if any, will have to be borne by the Market Maker/Large Investor.</p> <p>The Fund creates/redeems Units in large size known as “Creation Unit Size”. Each “Creation Unit” consists of 2500 Units. The value of the “Creation Unit” is</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |



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|                                                                             | <p>the “Portfolio Deposit” and a “Cash Component” which will be exchanged for 2500 Units and/or subscribed in cash equal to the value of said predefined units of the Scheme.</p> <p>The Portfolio Deposit and Cash Component for the Scheme may change from time to time.</p> <p>The subscription/redemption of Units in Creation Unit Size will be allowed both by means of exchange of Portfolio Deposit and by cash.</p> <p>The Fund may from time to time change the size of the Creation Unit in order to equate it with marketable lots of the underlying instruments.</p>                                                                                                                                                           |
| <b>Minimum balance to be maintained and consequences of non-maintenance</b> | There is no minimum balance requirement.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>Special Products available</b>                                           | Systematic Investment Plan (SIP), Systematic Transfer Plan (STP) Systematic Withdrawal Plan (SWP) are not available under this Scheme.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>Account Statements</b>                                                   | Under Regulation 36(4) of SEBI (Mutual Funds) Regulations, 1996, the AMC/ RTA is required to send consolidated account statement for each calendar month to all the investors in whose folio transaction has taken place during the month. Further, SEBI vide its circular ref. no. CIR/MRD/DP/31/2014 dated November 12, 2014, in order to enable a single consolidated view of all the investments of an investor in Mutual Fund and securities held in demat form with Depositories, has required Depositories to generate and dispatch a single consolidated account statement for investors having mutual fund investments and holding demat accounts.                                                                                 |
| <b>IDCW</b>                                                                 | The Scheme does not offer any Plans/ IDCW Options for investment. The AMC/Trustee reserves the right to introduce Plan(s)/Option(s) as may be deemed appropriate at a later date.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>Redemption</b>                                                           | Redemption or repurchase proceeds shall be transferred to the unitholders within 3 Working Days from the date of redemption or repurchase.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>Delay in payment of redemption / repurchase proceeds</b>                 | <p>As per SEBI (MF) Regulations, the Mutual Fund shall transfer the redemption proceeds within 3 Working Days from the date of redemption / repurchase. In the event of delay/failure to transfer the redemption/repurchase proceeds within the aforesaid 3 Working Days, the AMC will be liable to pay interest to the Unit Holders at such rate as may be specified by SEBI for the period of such delay (currently @ 15% per annum).</p> <p>Investor may note that in case of exceptional scenarios as prescribed by AMFI vide its communication no. AMFI/ 35P/ MEM-COR/ 74 / 2022-23 dated January 16, 2023 read with clause 14.1.3 of SEBI Master Circular, the AMC may not be able to adhere with the timelines prescribed above.</p> |
| <b>Unclaimed Redemptions and IDCWs</b>                                      | The treatment of unclaimed redemption shall be in terms of clause 14.3 of SEBI Master Circular and the same is specified in SAI.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>Transfer of Units</b>                                                    | <p>In accordance with clause 14.4.4 of SEBI Master circular, units of all <b>DSP S&amp;P BSE Liquid Rate ETF</b> which that are held in demat form, will be transferable and will be subject to the transmission facility in accordance with the provisions of SEBI (Depositories and Participants) Regulations, 2018 as may be amended from time to time.</p> <p>If a person becomes a holder of the Units consequent to operation of law, or upon enforcement of a pledge, the transfer may be effected in accordance with the provisions of SEBI (Depositories and Participants) Regulations, 2018, provided the transferee is otherwise eligible to hold the Units.</p> <p><b>Pledge of Units for Loans</b></p>                         |

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|                                                                         | <p>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.</p> <p>Since the units shall be held in demat form, the rules of the respective DP will be applicable for pledge of the Units. Units held in demat form can be pledged by completing the requisite forms/formalities as may be required by the Depository. The pledge gets created in favour of the pledgee only when the pledgee's DP confirms the creation of pledge in the system.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <p><b>Bank Account Details / Multiple Bank Account Registration</b></p> | <p>It is mandatory for all investors to provide their bank mandate which will be used for payment of redemption/IDCW payout. Applications without the mandatory bank details and supporting documents are liable to be rejected. Investors should ideally mention account details of the same bank account from where the payment towards purchase is made. If the bank account details mentioned are different from purchase pay-in bank, investors should attach a cancelled cheque off the said account with name and account number pre-printed. Should the investor fail to provide the documents, the Fund/AMC/RTA reserve the right to register the pay-in bank details as the redemption bank details and use such bank account for payment of any redemption/IDCW proceeds.</p> <p>The Mutual Fund offers its Unit holders, facility to register multiple bank accounts for pay-in &amp; payout purposes and designate one of the registered bank account as "Default Bank Account". This facility can be availed by using a designated "Bank Accounts Registration Form. In case of new investors, the bank account mentioned on the purchase application form used for opening the folio will be treated as default bank account till a separate request to register multiple bank accounts and change the default bank account to any of other registered bank account is submitted by such investor. Registered bank accounts may also be used for verification of payins (i.e. receiving of subscription funds) to ensure that a third party payment is not used for mutual fund subscription.</p> |
| <p><b>Change of Bank</b></p>                                            | <p>For investors holding Units in demat mode, the procedure for change in bank details would be as per the instructions given by their respective Depository Participant(s).</p> <p>New bank accounts can only be registered using the designated "Bank Accounts Registration Form" / 'Change of Bank Form'. If Unit holder(s) provide a new and unregistered bank mandate or a change of bank mandate request with specific redemption/ IDCW payment request (with or without necessary supporting documents), such bank account will not be considered for payment of redemption/ IDCW proceeds, or the Mutual Fund withhold the payment for upto 10 calendar days to ensure validation of new bank mandate mentioned. Change of bank mandate would not be processed based on the request submitted along with the redemption request and the investor will have to submit a fresh request for change of bank mandate with supporting documents. Any request without the necessary documents will be treated invalid and will not be acted upon and any financial transaction, including redemptions, will be processed with the existing registered details only. Valid change of bank mandate requests with supporting documents will be processed within ten days of documents reaching the head office of the Registrar and any financial transaction request received in the interim will be carried based on the previously registered details.</p>                                                                                                                                                      |
| <p><b>Process for change of address</b></p>                             | <p>As units would be in demat mode, the procedure for change in address would be as determined by the depository participant.</p> <p>Investors who wish to change their address have to get their new address updated in their KYC records. Investor will have to submit a KYC Change Request Form in case of individual investors and KYC form in case of non individual investors along with proof of address and submit to any of the AMC Offices or CAMS Investor Service Centers. Based on the new address updated in the KYC records, the same will be updated in the investor folio.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |

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| <b>Non acceptance of third party payment</b> | In case of subscriptions, the Mutual Fund shall verify the bank account from which the funds have been paid for the subscription. In case it is identified that the funds have not come from the investor's bank account, the subscription will be rejected. Please refer SAI for Details. |
| <b>Nomination</b>                            | Since the units of the scheme will be issued in electronic form in the depository account of the unit holder, the nomination registered with the Depository will be applicable to the units of the scheme.                                                                                 |

### C. PERIODIC DISCLOSURES

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| <p><b>Net Asset Value</b><br/>(This is the value per Unit of the Scheme on a particular day. You can ascertain the value of your investments by multiplying the NAV with your Unit balance)</p>                     | <p>The first NAV will be calculated and declared within 5 Business days from the date of allotment. Thereafter, the NAV will be calculated on every calendar day and disclosed at the close of every Business Day, on AMFI's website <a href="http://www.amfiindia.com">www.amfiindia.com</a>, by 11.00 p.m. and also on <a href="http://www.dspim.com">www.dspim.com</a>.</p> <p>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.</p> <p>Latest available NAVs shall be available to unitholders through SMS, upon receiving a specific request in this regard. Refer relevant disclosures mentioned in the SAI available on AMC website i.e. <a href="http://www.dspim.com">www.dspim.com</a></p> |
| <p><b>Half yearly Disclosures: Portfolio</b> (This is a list of securities where the corpus of the Scheme is currently invested. The market value of these investments is also stated in portfolio disclosures)</p> | <p>In case of unit holders whose email address are registered with the Fund, the AMC shall send half yearly portfolio via email within 10 days from the end of each half-year. The half yearly portfolio of the Schemes shall also be available in a user-friendly and downloadable spreadsheet format on the AMFI's website <a href="http://www.amfiindia.com">www.amfiindia.com</a> and website of AMC viz. <a href="http://www.dspim.com">www.dspim.com</a> on or before the 10th day of succeeding month.</p> <p>The advertisement in this reference will be published by the Fund in all India edition of atleast two daily newspapers, one each in English and Hindi.</p> <p>The AMC shall provide a physical copy of the statement of the Scheme portfolio, without charging any cost, on specific request received from a unitholder.</p>                                                                                                                                    |
| <p><b>Half Yearly Financial Results</b></p>                                                                                                                                                                         | <p>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 <a href="http://www.dspim.com">www.dspim.com</a>, 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.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |

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| <b>Annual Report</b>                            | <p>Annual report or Abridged Summary, in the format prescribed by SEBI, will be hosted on AMC's website <a href="http://www.dspim.com">www.dspim.com</a> and on the website of AMFI <a href="http://www.amfiindia.com">www.amfiindia.com</a>. Annual Report or Abridged Summary will also be sent by way of e-mail to the investor's who have registered their email address with the Fund not later than four months from the date of the closure of the relevant financial year i.e. March 31 each year.</p> <p>In case of unit holders whose email addresses are not available with the Fund, the AMC shall send physical copies of scheme annual reports or abridged summary to those unitholders who have 'opted- in' to receive physical copies. The opt-in facility to receive physical copy of the scheme-wise annual report or abridged summary thereof shall be provided in the application form for new subscribers.</p> <p>Unitholders who still wish to receive physical copies of the annual report/abridged summary notwithstanding their registration of e- mail addresses with the Fund, may indicate their option to the AMC in writing and AMC shall provide abridged summary of annual report without charging any cost. Physical copies of the report will also be available to the unitholders at the registered offices at all times. For request on physical copy refer relevant disclosures mentioned in the SAI available on AMC website i.e. <a href="http://www.dspim.com">www.dspim.com</a>.</p> <p>The advertisement in this reference will be published by the Fund in all India edition of atleast two daily newspapers, one each in English and Hindi.</p> <p>Investors are requested to register their e-mail addresses with Mutual Fund.</p> |
| <b>Fortnightly Portfolio Disclosure</b>         | <p>The fortnightly portfolio of the Scheme shall be available in a user-friendly and downloadable format on the website viz. <a href="http://www.dspim.com">www.dspim.com</a> on or before the fifth day of succeeding fortnight. In case of unit holders whose email addresses are registered with the Fund, the AMC shall send fortnightly portfolio via email within 5 days from the end of each fortnight.</p> <p>The AMC shall provide a physical copy of the statement of the Scheme portfolio, without charging any cost, on specific request received from a unitholder.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>Risk-o-Meter</b>                             | <p>In accordance with clause 5.16.1 of SEBI Master Circular, AMC based on internal assessment shall disclose the following in all disclosures, including promotional material or that stipulated by SEBI:</p> <ol style="list-style-type: none"> <li>risk-o-meter of the scheme wherever the performance of the scheme is disclosed.</li> <li>risk-o-meter of the scheme and benchmark wherever the performance of the scheme vis-à-vis that of the benchmark is disclosed.</li> </ol> <p>The portfolio disclosure shall also include the scheme risk-o- meter, name of benchmark and risk-o-meter of benchmark.</p> <p>Further, as per Clause 17.4.1.i and 17.4.1.j of the Master Circular, Risk-o-meters shall be evaluated on a monthly basis and Mutual Funds/AMCs shall disclose the Risk-o-meters along with portfolio disclosure for their schemes on AMCs website and on AMFI website within 10 days from the close of each month. Mutual Funds shall also disclose the risk level of schemes as on March 31 of every year, along with number of times the risk level has changed over the year, on AMCs website and AMFI website.</p> <p>Investors may please note that the Risk-o-meter disclosed is basis internal assessment of the scheme portfolio as on the date of disclosure.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>Associate Transactions</b>                   | Please refer the SAI.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>Monthly Dashboard</b>                        | In accordance with clause 5.8.4 of SEBI Master Circular, the AMC has developed a dashboard on the website wherein the investor can access information relating to scheme's AUM, investment objective, expense ratios, portfolio details and past performance of each scheme.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>Tracking Error &amp; Tracking Difference</b> | <b>Tracking Error:</b> Tracking Error of the Scheme based on past one year rolling data, shall be disclosed on a daily basis, on the website of AMC i.e. <a href="http://www.dspim.com">www.dspim.com</a> and AMFI.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |

|                                                                                                                                                                                                                                                                 | <b>Tracking Difference:</b> Tracking Difference shall be disclosed on the website of the AMC (i.e. www.dspim.com) and AMFI, on a monthly basis, for tenures 1 year, 3 year, 5 year, 10 year and since the date of allotment of units.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                        |                     |                         |                                                                                   |      |  |                   |                          |  |  |                         |  |  |           |                                              |      |           |                                              |      |                                             |  |  |  |  |  |  |                                                                                                                                                                                                                                                                 |                                                           |                                                                                                                                                        |                  |     |                                                                                   |     |                                                          |                                                                          |  |  |     |                |     |                                           |  |  |  |  |  |  |                                                                                               |                                |                                  |                     |     |                                   |     |
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| <b>Issuer/Group/Sector Disclosure</b>                                                                                                                                                                                                                           | <p>The Scheme shall disclose the following on monthly basis:</p> <ol style="list-style-type: none"> <li>Name and exposure to top 7 issuers and stocks respectively as a percentage of NAV of the scheme</li> <li>Name and exposure to top 7 groups as a percentage of NAV of the scheme.</li> <li>Name and exposure to top 4 sectors as a percentage of NAV of the scheme.</li> </ol> <p>Any change in constituents of the index, if any, shall be disclosed on the AMC website i.e. www.dspim.com on the day of change.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                        |                     |                         |                                                                                   |      |  |                   |                          |  |  |                         |  |  |           |                                              |      |           |                                              |      |                                             |  |  |  |  |  |  |                                                                                                                                                                                                                                                                 |                                                           |                                                                                                                                                        |                  |     |                                                                                   |     |                                                          |                                                                          |  |  |     |                |     |                                           |  |  |  |  |  |  |                                                                                               |                                |                                  |                     |     |                                   |     |
| <b>Taxation</b>                                                                                                                                                                                                                                                 | <p>(The information is provided for general information only. However, in view of the individual nature of the implications, each investor is advised to consult his or her own tax advisors/authorized dealers with respect to the specific amount of tax and other implications arising out of his or her participation in the Schemes.)</p> <p><b>Income Tax Rates and Withholding Rates (TDS) on Capital Gains</b></p> <table border="1"> <thead> <tr> <th rowspan="2">Category of units</th> <th colspan="3">Tax Rates* under the Act</th> <th colspan="3">TDS Rates under the Act</th> </tr> <tr> <th>Residents</th> <th>NRI/PIOs &amp; Other Non-resident other than FPI</th> <th>FPIs</th> <th>Residents</th> <th>NRI/PIOs &amp; Other Non-resident other than FPI</th> <th>FPIs</th> </tr> </thead> <tbody> <tr> <td colspan="7" style="text-align: center;"><b>Short Term Capital Gains<sup>5</sup></b></td> </tr> <tr> <td>1. Units of a non-equity oriented Scheme other than <sup>1</sup>specified mutual fund<br/>2. Units of a <sup>1</sup>Specified Mutual Fund acquired prior to 1 April 2023<br/>3. Units of a <sup>1</sup>Specified Mutual Fund acquired on or after 1 April 2023</td> <td>Taxable at normal rates of tax applicable to the assessee</td> <td>In respect of non-resident non-corporate Taxable at normal rates of tax applicable to the assessee.<br/><br/>In respect of non-resident corporates -40%.</td> <td>30% (u/s 115A D)</td> <td>Nil</td> <td>30%* for non-residents non-corporates, 40%* for non-resident corporates (u/s 195)</td> <td>Nil</td> </tr> <tr> <td>Units of an equity oriented Scheme (listed and unlisted)</td> <td colspan="3">15% on redemption of Units where STT is payable on redemption (u/s 111A)</td> <td>Nil</td> <td>15%* (u/s 195)</td> <td>Nil</td> </tr> <tr> <td colspan="7" style="text-align: center;"><b>Long Term Capital Gain<sup>5</sup></b></td> </tr> <tr> <td>1. Listed units of a non-equity oriented Scheme other than <sup>1</sup>specified mutual fund</td> <td>20% with indexation, (u/s 112)</td> <td>20% with indexation, (u/s 112)**</td> <td>10% (u/s 115A D) **</td> <td>Nil</td> <td>20%* with indexation (u/s 195) **</td> <td>Nil</td> </tr> </tbody> </table> |                                                                                                                                                        |                     |                         |                                                                                   |      |  | Category of units | Tax Rates* under the Act |  |  | TDS Rates under the Act |  |  | Residents | NRI/PIOs & Other Non-resident other than FPI | FPIs | Residents | NRI/PIOs & Other Non-resident other than FPI | FPIs | <b>Short Term Capital Gains<sup>5</sup></b> |  |  |  |  |  |  | 1. Units of a non-equity oriented Scheme other than <sup>1</sup> specified mutual fund<br>2. Units of a <sup>1</sup> Specified Mutual Fund acquired prior to 1 April 2023<br>3. Units of a <sup>1</sup> Specified Mutual Fund acquired on or after 1 April 2023 | Taxable at normal rates of tax applicable to the assessee | In respect of non-resident non-corporate Taxable at normal rates of tax applicable to the assessee.<br><br>In respect of non-resident corporates -40%. | 30% (u/s 115A D) | Nil | 30%* for non-residents non-corporates, 40%* for non-resident corporates (u/s 195) | Nil | Units of an equity oriented Scheme (listed and unlisted) | 15% on redemption of Units where STT is payable on redemption (u/s 111A) |  |  | Nil | 15%* (u/s 195) | Nil | <b>Long Term Capital Gain<sup>5</sup></b> |  |  |  |  |  |  | 1. Listed units of a non-equity oriented Scheme other than <sup>1</sup> specified mutual fund | 20% with indexation, (u/s 112) | 20% with indexation, (u/s 112)** | 10% (u/s 115A D) ** | Nil | 20%* with indexation (u/s 195) ** | Nil |
| Category of units                                                                                                                                                                                                                                               | Tax Rates* under the Act                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                        |                     | TDS Rates under the Act |                                                                                   |      |  |                   |                          |  |  |                         |  |  |           |                                              |      |           |                                              |      |                                             |  |  |  |  |  |  |                                                                                                                                                                                                                                                                 |                                                           |                                                                                                                                                        |                  |     |                                                                                   |     |                                                          |                                                                          |  |  |     |                |     |                                           |  |  |  |  |  |  |                                                                                               |                                |                                  |                     |     |                                   |     |
|                                                                                                                                                                                                                                                                 | Residents                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | NRI/PIOs & Other Non-resident other than FPI                                                                                                           | FPIs                | Residents               | NRI/PIOs & Other Non-resident other than FPI                                      | FPIs |  |                   |                          |  |  |                         |  |  |           |                                              |      |           |                                              |      |                                             |  |  |  |  |  |  |                                                                                                                                                                                                                                                                 |                                                           |                                                                                                                                                        |                  |     |                                                                                   |     |                                                          |                                                                          |  |  |     |                |     |                                           |  |  |  |  |  |  |                                                                                               |                                |                                  |                     |     |                                   |     |
| <b>Short Term Capital Gains<sup>5</sup></b>                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                        |                     |                         |                                                                                   |      |  |                   |                          |  |  |                         |  |  |           |                                              |      |           |                                              |      |                                             |  |  |  |  |  |  |                                                                                                                                                                                                                                                                 |                                                           |                                                                                                                                                        |                  |     |                                                                                   |     |                                                          |                                                                          |  |  |     |                |     |                                           |  |  |  |  |  |  |                                                                                               |                                |                                  |                     |     |                                   |     |
| 1. Units of a non-equity oriented Scheme other than <sup>1</sup> specified mutual fund<br>2. Units of a <sup>1</sup> Specified Mutual Fund acquired prior to 1 April 2023<br>3. Units of a <sup>1</sup> Specified Mutual Fund acquired on or after 1 April 2023 | Taxable at normal rates of tax applicable to the assessee                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | In respect of non-resident non-corporate Taxable at normal rates of tax applicable to the assessee.<br><br>In respect of non-resident corporates -40%. | 30% (u/s 115A D)    | Nil                     | 30%* for non-residents non-corporates, 40%* for non-resident corporates (u/s 195) | Nil  |  |                   |                          |  |  |                         |  |  |           |                                              |      |           |                                              |      |                                             |  |  |  |  |  |  |                                                                                                                                                                                                                                                                 |                                                           |                                                                                                                                                        |                  |     |                                                                                   |     |                                                          |                                                                          |  |  |     |                |     |                                           |  |  |  |  |  |  |                                                                                               |                                |                                  |                     |     |                                   |     |
| Units of an equity oriented Scheme (listed and unlisted)                                                                                                                                                                                                        | 15% on redemption of Units where STT is payable on redemption (u/s 111A)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                        |                     | Nil                     | 15%* (u/s 195)                                                                    | Nil  |  |                   |                          |  |  |                         |  |  |           |                                              |      |           |                                              |      |                                             |  |  |  |  |  |  |                                                                                                                                                                                                                                                                 |                                                           |                                                                                                                                                        |                  |     |                                                                                   |     |                                                          |                                                                          |  |  |     |                |     |                                           |  |  |  |  |  |  |                                                                                               |                                |                                  |                     |     |                                   |     |
| <b>Long Term Capital Gain<sup>5</sup></b>                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                        |                     |                         |                                                                                   |      |  |                   |                          |  |  |                         |  |  |           |                                              |      |           |                                              |      |                                             |  |  |  |  |  |  |                                                                                                                                                                                                                                                                 |                                                           |                                                                                                                                                        |                  |     |                                                                                   |     |                                                          |                                                                          |  |  |     |                |     |                                           |  |  |  |  |  |  |                                                                                               |                                |                                  |                     |     |                                   |     |
| 1. Listed units of a non-equity oriented Scheme other than <sup>1</sup> specified mutual fund                                                                                                                                                                   | 20% with indexation, (u/s 112)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 20% with indexation, (u/s 112)**                                                                                                                       | 10% (u/s 115A D) ** | Nil                     | 20%* with indexation (u/s 195) **                                                 | Nil  |  |                   |                          |  |  |                         |  |  |           |                                              |      |           |                                              |      |                                             |  |  |  |  |  |  |                                                                                                                                                                                                                                                                 |                                                           |                                                                                                                                                        |                  |     |                                                                                   |     |                                                          |                                                                          |  |  |     |                |     |                                           |  |  |  |  |  |  |                                                                                               |                                |                                  |                     |     |                                   |     |

| 2. Listed Units of a 'Specified Mutual Fund acquired prior to 1 April 2023                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | **                                                                                                                  |                                                                |                     |                         |                                                                       |                                                              |                             |  |  |  |  |  |  |             |                          |  |  |                         |  |  |           |                                              |      |           |                                              |      |                                                          |                                                           |                                                     |                 |                |                                                     |                                                              |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------|---------------------|-------------------------|-----------------------------------------------------------------------|--------------------------------------------------------------|-----------------------------|--|--|--|--|--|--|-------------|--------------------------|--|--|-------------------------|--|--|-----------|----------------------------------------------|------|-----------|----------------------------------------------|------|----------------------------------------------------------|-----------------------------------------------------------|-----------------------------------------------------|-----------------|----------------|-----------------------------------------------------|--------------------------------------------------------------|
| Unlisted units of a non-equity oriented Scheme other than 'specified mutual fund<br>Unlisted Units of a 'Specified Mutual Fund acquired prior to 1 April 2023                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 20% with indexation, (u/s 112) **                                                                                   | 10% without indexation and no exchange fluctuation** (u/s 112) | 10% (u/s 115A D) ** | Nil                     | 10%* without indexation & exchange fluctuation (u/s 112) **           | Nil                                                          |                             |  |  |  |  |  |  |             |                          |  |  |                         |  |  |           |                                              |      |           |                                              |      |                                                          |                                                           |                                                     |                 |                |                                                     |                                                              |
| Units of an equity oriented Scheme***                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 10% without indexation on redemption of Units where STT is payable on redemption (u/s 112A) in excess of INR 1 lakh |                                                                |                     | Nil                     | 10%* without indexation & exchange fluctuation (exceeding INR 1 lac)# | Nil                                                          |                             |  |  |  |  |  |  |             |                          |  |  |                         |  |  |           |                                              |      |           |                                              |      |                                                          |                                                           |                                                     |                 |                |                                                     |                                                              |
| <p>** Capital gains on redemption of units held for a period of more than 36 months from the date of allotment</p> <p>***Capital gains on redemption of units held for a period of more than 12 months from the date of allotment</p> <p>\$ including in case of consolidation of options under any scheme of a mutual fund (in the absence of any specific exemption provision in the Income-tax Act, 1961)</p> <p>#With effect from 1 April 2022</p> <p><b>Income Tax Rates and Withholding Rates (TDS) on income distributed by Mutual Funds</b></p> <p>As per Finance Act 2020, any distribution by mutual fund will be taxed in the hands of the Unit Holders.</p>                                                                                                                                                                                            |                                                                                                                     |                                                                |                     |                         |                                                                       |                                                              |                             |  |  |  |  |  |  |             |                          |  |  |                         |  |  |           |                                              |      |           |                                              |      |                                                          |                                                           |                                                     |                 |                |                                                     |                                                              |
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| Distribution by Mutual Fund                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                     |                                                                |                     |                         |                                                                       |                                                              |                             |  |  |  |  |  |  |             |                          |  |  |                         |  |  |           |                                              |      |           |                                              |      |                                                          |                                                           |                                                     |                 |                |                                                     |                                                              |
| Particulars                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Tax Rates* under the Act                                                                                            |                                                                |                     | TDS Rates under the Act |                                                                       |                                                              |                             |  |  |  |  |  |  |             |                          |  |  |                         |  |  |           |                                              |      |           |                                              |      |                                                          |                                                           |                                                     |                 |                |                                                     |                                                              |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Residents                                                                                                           | NRI/PIOs & Other Non-resident other than FPI                   | FPIs                | Residents               | NRI/PIOs & Other Non-resident other than FPI                          | FPIs                                                         |                             |  |  |  |  |  |  |             |                          |  |  |                         |  |  |           |                                              |      |           |                                              |      |                                                          |                                                           |                                                     |                 |                |                                                     |                                                              |
| Any distribution by equity/ non-equity fund / 'specified                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Taxable at normal rates of tax applicable to the assessee                                                           | In respect of non-resident non-corporate Taxable at            | 20% (u/s 115AD)     | 10% (u/s 194K)          | 20%* (u/s 196A) or as per applicable DTAA whichever                   | 20%* (u/s 196D) or as per applicable DTAA whichever is lower |                             |  |  |  |  |  |  |             |                          |  |  |                         |  |  |           |                                              |      |           |                                              |      |                                                          |                                                           |                                                     |                 |                |                                                     |                                                              |

|  |             |  |                                                                                                                                                                                                                              |  |  |             |  |
|--|-------------|--|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--|-------------|--|
|  | mutual fund |  | normal rates of tax applicable to the assessee (other than units purchased in foreign currency )<br><br>In respect of non-resident (not being company) or foreign corporates - 20%(for units purchased in foreign currency ) |  |  | er is lower |  |
|--|-------------|--|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--|-------------|--|

\*plus surcharge and Health and Education cess at the rate of 4% on income tax and surcharge.

Surcharge rates on Capital Gains shall be as per the below table:

| Status of Investor                                          | Nature of Gains                                                                                                                               | Income > 50 lakhs and upto 1 crores(in Rs) | Income > 1 cr and upto 2 cr(in Rs) | Income > 2 cr and upto 5 cr(in Rs) | Income > 5 cr and upto 10 cr(in Rs) | Income exceeding 10 cr(in Rs) |
|-------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|------------------------------------|------------------------------------|-------------------------------------|-------------------------------|
| Individuals/HUFs/BOIs/AOPs and Artificial juridical persons | Long term & Short term capital gains on Equity Oriented Funds and ^Long term capital gains on Non-equity oriented funds (other than ^specifie | 10%                                        | 15%                                | 15%                                | 15%                                 | 15%                           |



|                                                             |                                                                                            |     |     |     |      |      |
|-------------------------------------------------------------|--------------------------------------------------------------------------------------------|-----|-----|-----|------|------|
|                                                             | d mutual funds)                                                                            |     |     |     |      |      |
| Individuals/HUFs/BOIs/AOPs and Artificial juridical persons | Short term capital gains on Non Equity oriented funds (other than 'specified mutual funds) | 10% | 15% | 25% | @25% | @25% |
| Individuals/HUFs/BOIs/AOPs and Artificial juridical persons | Capital gains on 'specified mutual funds                                                   | 10% | 15% | 25% | @25% | @25% |
| Firms, Local authorities                                    | All Capital Gains                                                                          | -   | 12% | 12% | 12%  | 12%  |
| Co-operative societies                                      | All Capital Gains                                                                          |     | 7%  | 7%  | 7%   | 12   |
| Domestic Company<br>** (New regime under section 115BAA)    | All Capital Gains                                                                          | -   | 7%  | 7%  | 7%   | 12%  |
|                                                             |                                                                                            |     | 10% | 10% | 10%  | 10%  |
| Foreign Company                                             | All Capital Gains                                                                          | -   | 2%  | 2%  | 2%   | 5%   |

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

| Sr. No. | Investor Category                                                                                                       | TDS rate | Dividend amount   | Surcharge | Ces | Effective TDS rate |
|---------|-------------------------------------------------------------------------------------------------------------------------|----------|-------------------|-----------|-----|--------------------|
| 1       | All Resident Investors (Individual & Non Individual)                                                                    | 10%      | Excess of Rs.5000 | -         | -   | 10.000%            |
| 2       | Non Resident Individuals (NRI), FIs, FPIs & NRIs. AOP(Other than Co-operative Society),BOI, artificial juridical person | 20%      | 0 to 50L          | 0%        | 4%  | 20.800%            |
|         |                                                                                                                         |          | 50L to 1 Cr       | 10%       | 4%  | 22.880%            |
|         |                                                                                                                         |          | > 1 Cr to 2 Cr    | 15%       | 4%  | 23.920%            |
|         |                                                                                                                         |          | > 2 Cr to 5 Cr    | 25%       | 4%  | 26%                |
|         |                                                                                                                         |          | > 5 Cr and above  | @25%      | 4%  | 26.000%            |
| 3       | Resident investors                                                                                                      | 20%      | Any Amount        | -         | -   | 20.000%            |

|   |                                   |     |                            |     |    |         |
|---|-----------------------------------|-----|----------------------------|-----|----|---------|
|   | without PAN, invalid PAN, PEKRAN  |     |                            |     |    |         |
| 4 | Non-filers of return <sup>+</sup> | 20% | Any Amount                 | -   | -  | 20.000% |
| 5 | FII/ FPI Foreign company          | 20% | 1 Cr to 10 Cr              | 2%  | 4% | 21.216% |
|   |                                   |     | more than 10 Crore & above | 5%  | 4% | 21.84%  |
| 6 | Non resident (other than company) |     |                            |     |    |         |
|   | (a) Co-operative society          | 20% | 1cr to 10cr                | 7%  | 4% | 22.258% |
|   |                                   |     | More than 10cr             | 12% | 4% | 23.296% |
|   | (b) Firm                          | 20% | More than 1cr              | 12% | 4% | 23.296% |

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

<sup>^</sup>The Finance Act, 2022 has levied the surcharge to be at par with Equity Oriented Scheme with effect from 1 April 2022

<sup>\*\*</sup>In case company opts for new regime of taxation, then the surcharge would be applicable at the rate of 10% irrespective of the taxable income.

<sup>!</sup>Specified Mutual Fund" means a Mutual Fund by whatever name called, where not more than thirty five per cent. of its total proceeds is invested in the equity shares of domestic companies. Finance Act 2023 has inserted Section 50AA in the Income Tax Act, 1961. As per the said section, with effect from 1 April 2023, gains/losses from units of Specified Mutual Fund would be deemed to be short term capital gain/loss irrespective of period of holding i.e. the definition of holding for more than 36 months to be considered as long term capital asset is withdrawn. This is applicable for all such units which are acquired on or after Apr 1, 2023.

<sup>\*</sup>The Finance Act 2021 introduced special provisions for higher rate of TDS in case of non-filers of Income tax return (referred to as "specified person"). Specified person does not include a non-resident who does not have permanent establishment in India. Finance Act 2023, with effect from 1st April, 2023, amended the said proviso to also exclude a person who is not required to furnish the return of income for the assessment year relevant to the said previous year and is notified by the Central Government in the Official Gazette in this behalf.

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

- (i) at the rate specified in the relevant provision of this Act; or
- (ii) at the rate or rates in force; or

|                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|---------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                       | <p>(iii) at the rate of twenty per cent.</p> <p>The aforesaid provision dealing with higher taxation in the absence of furnishing Permanent Account Number shall not apply to a non-resident with effect from 1st June, 2016 on furnishing the following details and documents by such non-resident:</p> <p>(i) name, e-mail id, contact number;</p> <p>(ii) address in the country or specified territory outside India of which the non-resident is a resident;</p> <p>(iii) a certificate of his being resident in any country or specified territory outside India from the Government of that country or specified territory if the law of that country or specified territory provides for issuance of such certificate;</p> <p>(iv) Tax Identification Number of the non-resident in the country or specified territory of his residence and in case no such number is available, then a unique number on the basis of which the non-resident is identified by the Government of that country or the specified territory of which he claims to be a resident.</p> <p>In case of investments by NRIs in closed ended funds during NFO, at the time of redemption of units, TDS will be deducted at the applicable rate. However, in respect of those Unit Holders who have acquired the units on the Stock Exchange post listing of units, the Unit Holders would need to provide a certificate from a Chartered Accountant certifying the details of acquisition of units to the Fund within two days of maturity of the Scheme, so as to enable the Fund to deduct TDS at the applicable rates. In the event of such details not being provided, the Fund would deduct TDS on the redemption proceeds at the highest rate of TDS applicable.</p> <p><b>For further details on taxation please refer to the clause on Taxation in the SAI.</b></p> |
| <p><b>Investor services</b></p>       | <p>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: <a href="mailto:service@dspim.com">service@dspim.com</a>. Mr. Prakash Pujari has been appointed as the Investor Relations Officer. He can be contacted at DSP Asset Managers Private Limited Natraj, Office Premises No. 302, 3rd Floor, M V Road Junction. W. E. Highway, Andheri - East, Mumbai - 400069, Tel.: 022 - 67178000. For any grievances with respect to transactions through stock exchange mechanism, Unit Holders must approach either stock broker or the investor grievances cell of the respective stock exchange.</p> <p>Investors may contact the customer care of MFUI on 1800-266-1415 (during the business hours on all days except Sunday and Public Holidays) or send an email to <a href="mailto:clientservices@mfuindia.com">clientservices@mfuindia.com</a> for any service required or for resolution of their grievances for their transactions with MFUI.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <p><b>Scheme Document Summary</b></p> | <p>The AMC has provided on its website a standalone scheme document for all the Schemes which contains all the details of the Scheme including but not limited to Scheme features, Fund Manager details, investment details, investment objective, expense ratios, etc. Scheme summary document is uploaded on the websites of AMC, AMFI and stock exchanges in 3 data formats i.e. PDF, Spreadsheet and a machine readable format (either JSON or XML).</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |

#### D. COMPUTATION OF NAV

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

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

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

**The numerical illustration of the above method is provided below:**

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

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

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

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

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

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

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

## SECTION IV - FEES AND EXPENSES

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

### A. NEW FUND OFFER (NFO) EXPENSES

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

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

### B. ANNUAL SCHEME RECURRING EXPENSES

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

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

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

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

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

#### Notes to Table 1:

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

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

It is clarified that the brokerage and transaction cost incurred for the purpose of execution of trade over and above the said 0.12 percent and 0.05 percent for cash market transactions and derivatives transactions respectively may be charged to the Scheme within the maximum limit of Total Expense Ratio (TER) as prescribed under regulation 52 of the SEBI (Mutual Funds) Regulations, 1996.

- b. Additional expenses up to 0.30 per cent of daily net assets of the concerned Schemes of the Fund if new inflows from such cities as may be specified by Regulations from time to time are at least:
  - i. 30 per cent of gross new inflows from retail investors\* in the concerned Scheme, or;
  - ii. 15 per cent of the average assets under management (year to date) of the concerned Scheme, whichever is higher.

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

\* Inflows of amount upto Rs 2,00,000/- per transaction, by individual investors shall be considered as inflows from "retail investors".

The additional expenses charged shall be utilized for distribution expenses incurred for bringing inflows from such cities. The additional expense charged to the Scheme on account of inflows from such cities shall be credited back to the concerned Scheme in case such inflows are redeemed within a period of

one year from the date of investment.

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

**GST on investment and advisory fees:**

- a) AMC may charge GST on investment and advisory fees of the Scheme in addition to the maximum limit of TER as per the Regulation 52(6) and (6A).
- b) GST on expenses other than investment and advisory fees: AMC may charge GST on expenses other than investment and advisory fees of the Scheme, if any within the maximum limit of TER as per the Regulation under 52(6) and (6A).
- c) GST on brokerage & transaction cost: GST on brokerage and transaction costs which are incurred for the purpose of execution of trade, will be within the limit of expenses as per the Regulation 52(6) and (6A).

**Others:**

In accordance with clause 10.1.12 (a) of SEBI Master Circular, all scheme related expenses including commission paid to distributors, by whatever name it may be called and in whatever manner it may be paid, shall be paid from the scheme only within the regulatory limits and not from the books of the AMC, or by the trustee or sponsors.

Provided that the expenses that are very small in value but high in volume (as provided by AMFI in consultation with SEBI) may be paid out of AMC's books. Such expenses can be paid out of AMC's books at actuals or not exceeding 2 bps of the Scheme AUM, whichever is lower.

Further with regards to the cost of borrowings in terms of Regulation 44(2), the same shall be adjusted against the portfolio yield of the Scheme and borrowing costs in excess of portfolio yield, if any, shall be borne by the AMC.

**c. Disclosure relating to changes in TER:**

In accordance with clause 10.1.8 of SEBI Master Circular, the AMC shall prominently disclose TER on daily basis on the website [www.dspim.com](http://www.dspim.com). Further, changes in the base TER (i.e. TER excluding additional expenses provided in Regulation 52(6A)(b), 52(6A)(c) of SEBI (Mutual Funds) Regulations, 1996 and Goods and Services Tax on investment and advisory fees) in comparison to previous base TER charged to any scheme/plan shall be communicated to investors of the scheme/plan through notice via email or SMS at least three working days prior to effecting such change.

The notices of change in base TER shall be updated on the website at least three working days prior to effecting such change Provided that any decrease in TER in a mutual fund scheme due to various regulatory requirements, would not require issuance of any prior notice to the investors.

The prior intimation/notice shall not be required for any increase or decrease in base TER due to change in AUM and any decrease in base TER due to various regulatory requirements.

**A. Illustrative example for estimating expenses for a scheme with corpus of 100 crores:**

The AMC in good faith has estimated and summarized in the below table for each Scheme, the expenses on a corpus size of Rs. 100 crores. The actual total expenses may be more or less than as specified in the table below. The below expenses are subject to inter-se change and may increase/decrease as per actuals, and/or any change in the Regulations.

**Table 2: The estimated total expenses as a % of daily net assets of the Scheme are as follows:**

| Sr No. | Indicative Expense Heads                | % of daily net assets |
|--------|-----------------------------------------|-----------------------|
| (i)    | Investment Management and Advisory Fees |                       |

|        |                                                                                                                                |             |
|--------|--------------------------------------------------------------------------------------------------------------------------------|-------------|
| (ii)   | Fees and expenses of trustees*                                                                                                 | Upto 1.00%  |
| (iii)  | Audit fees                                                                                                                     |             |
| (iv)   | Custodian fees                                                                                                                 |             |
| (v)    | RTA Fees                                                                                                                       |             |
| (vi)   | Marketing & Selling expense incl. agent commission                                                                             |             |
| (vii)  | Cost related to investor communications                                                                                        |             |
| (viii) | Cost of fund transfer from location to location                                                                                |             |
| (ix)   | Cost of providing account statements and Income Distribution cum Capital Withdrawal redemption cheques and warrants            |             |
| (x)    | Costs of statutory Advertisements                                                                                              |             |
| (xi)   | Cost towards investor education & awareness (at least 0.01 percent)                                                            |             |
| (xii)  | Brokerage & transaction cost over and above 0.12 percent and 0.05 percent for cash and derivative market trades, respectively. |             |
| (xiii) | GST on expenses other than investment and advisory fees                                                                        |             |
| (xiv)  | GST on brokerage and transaction cost                                                                                          |             |
| (a)    | <b>Maximum total expense ratio (TER) permissible under Regulation 52 (6) (c)</b>                                               |             |
| (b)    | Additional expenses for gross new inflows from specified cities under regulation 52(6A)(b)                                     | Up to 0.30% |

\*The Trusteeship fees as per the provisions of the Trust Deed are subject to a maximum of 0.02% of the average net Trust Funds per annum. 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 for the Scheme, from time to time.

The goods and service tax on Investment Management and Advisory fees will depend on the total amount charged as Investment Management and Advisory fees. Currently it is chargeable at 18% on Investment Management and Advisory Fees.

The 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.

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

**Illustration of impact of expense ratio on scheme's returns:**

| Particulars                                      | NAV p.u. in Rs. | %      |
|--------------------------------------------------|-----------------|--------|
| (A) Opening NAV at the beginning of the year     | 1000.00         |        |
| (B) Annual income accrued to the scheme          | 150             | 15%    |
| (C) Annual expense charged by the scheme         | 17.50           | 1.75%  |
| (D) Closing NAV at the end of the year (D=A+B-C) | 1132.50         |        |
| (E) Net annual return to investors (E=D-A)       | 132.50          | 13.25% |

Link for TER disclosure: <https://www.dspim.com/mandatory-disclosures/ter>

### 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. This amount is used by the AMC to pay commissions to the distributor and to take care of other marketing and selling expenses. Load amounts are variable and are subject to change from time to time. For the current applicable structure, investors may refer the website of the AMC [www.dspim.com](http://www.dspim.com) or call at 1800-200-44-99 (toll free) or may contact their distributor.

Entry Load: Nil

Exit Load: Nil

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

Investors may note that the Trustee has the right to introduce/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) The introduction of the Exit Load along with the details may be stamped in the acknowledgement slip issued to the investors on submission of the application form and will also be disclosed in the statement of accounts issued after the introduction of such load.

#### **D. WAIVER OF LOAD FOR DIRECT APPLICATIONS**

Pursuant to clause 10.4.1 of SEBI Master Circular no entry load shall be charged for all mutual fund schemes.

Therefore, the procedure for waiver of load for direct applications is no longer applicable.

#### **E. TRANSACTION CHARGE**

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

Accordingly, effective May 01, 2023, no transaction charges shall be deducted from the investment amount given by the investor, for transactions / applications received through the distributors (i.e. in Regular Plan) and full investment amount will be invested in the Scheme.

#### **F. STAMP DUTY**

Investors / Unit Holders of all the scheme(s) of DSP Mutual Fund are advised to take note that, pursuant to notification no. S.O. 4419(E) dated December 10, 2019 read with notification no. S.O. 115(E) dated January 08, 2020 and notification no. S.O. 1226(E) dated March 30, 2020 issued by Department of Revenue, Ministry of Finance, Government of India, read with Part I of Chapter IV of Notification dated February 21, 2019 issued by Legislative Department, Ministry of Law and Justice, Government of India on the Finance Act, 2019, applicable stamp duty would be levied on mutual fund investment transactions with effect from July 1, 2020.

Accordingly, pursuant to levy of stamp duty, the number of units allotted on purchases, switch-ins, SIP/STP installments, (including reinvestment of IDCW) to the unit holders would be reduced to that extent.

#### **G. PRINCIPLES OF INCENTIVE STRUCTURE FOR MARKET MAKERS**

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



## SECTION V. RIGHTS OF UNITHOLDERS

Please refer to SAI for details.

## SECTION VI. PENALTIES AND PENDING LITIGATION

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

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

NONE.

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

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

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

- On January 21, 2020, the AMC filed a plaint in the Honorable High Court of Judicature at Bombay, Ordinary Original Civil Jurisdiction in its Commercial Division a suit for infringement of trademark and passing off (Category Code no.1017 Act Code No.87) against DSP Realty a proprietary concern of Shrikant Bhausahub Pawar ('Defendant'). The mentioned suit was filed inter-alia for the acts of infringement, passing off and damages by the Defendant, whose trade mark is deceptively similar to the AMC's registered DSP marks. On February 04, 2020, the Honorable High Court granted ad-interim relief restraining the Defendant from using of trademark. The matter is now at hearing stage and the AMC is awaiting an intimation in relation to the hearing date from the High Court.
- AMC holds non-convertible debentures issued by Accelerating Education and Development Private limited (AEDPL), a Resonance group entity vide Debenture Trust Deed dated November 10, 2016. AEDPL defaulted in repayment of redemption amount. AMC filed a petition under section 9 of the Arbitration and Conciliation Act, 1996 before the Delhi High Court seeking interim reliefs inter alia in the nature of non-alienation of assets for securing the entire amount of Rs. 144,76,82,011/- due and payable by Resonance Group to AMC. During the course of hearing dated 28th May 2021 AEDPL and other Resonance group entities had undertaken not to alienate their assets. The pleadings stand completed and the matter is ripe for arguments. The matter is listed for hearing on 3rd April 2024.
- A petition under the Insolvency and Bankruptcy Code, 2016 with National Company Law Tribunal has been filed by DSP Asset Managers Private Limited on behalf of certain schemes of DSP Mutual Fund against Grant Thornton India (Bharat) LLP, Infrastructure Leasing and Financial Services Limited and IDBI Trusteeship Limited.

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 S&P BSE Liquid Rate ETF, approved by them, is a new product offered by DSP Mutual Fund and is not a minor modification of any existing scheme/fund/product.

DSP S&P BSE Liquid Rate ETF has been approved by the Trustees on January 30, 2024

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

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

Sd/-  
Shitin D. Desai  
Director

Place: Mumbai  
Date: February 29, 2024