

October 22, 2024

Dear Unit Holder,

Sub: Change in fundamental attributes of DSP Quant Fund ('Scheme') of DSP Mutual Fund ('Fund').

Unit holders are requested to note that the following Scheme will be undergoing certain changes in the key features as detailed in the table below. The changes, indicated as fundamental attributes change (FAC) in the below table will be considered as change in the fundamental attributes in line with Regulation 18(15A) read with Regulation 25 (26) of the SEBI (Mutual Funds) Regulations, 1996 ("MF Regulations"). Accordingly, these proposed changes shall be carried out by implementing the process for change in the fundamental attributes of the Scheme.

1. Name of the Scheme: DSP Quant Fund

2. Rationale of the change/s:

It is proposed to change the investment strategy of the Scheme to enable the scheme to expand the set of quant factors. The use of an expanded set of quant factors viz, fundamental, macro, technical etc. in the quant model can help to generate returns within risk constraints. The model parameters may be modified as per the market regime in order to make the model more dynamic and adaptive to market conditions. Although the Scheme will predominantly invest in stocks as per the quant model theme, it retains the flexibility to take some exposure beyond the theme based on the Fund manager's discretion to novel market phases, at inflection points and to manage volatility.

Further, it is proposed to make the review and re-balancing frequency of portfolio to be more of an ongoing exercise (at least monthly), as it allows the portfolio to be more active and better reflect the model recommendations on an ongoing basis. While single stock weights will be capped at 10%, sector weights will be allowed to deviate more meaningfully from the benchmark. This will allow more flexibility in portfolio construction as the quant model can assign larger weights to stocks that display higher scores for the chosen factors.

Subsequent to above change, 'Investment Objective', 'Risk Factors' and 'Product labelling' sections of the SID shall be modified as per details given below in the comparison section.

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

| Sr. No. | Particulars | Existing Scheme Features | Proposed Scheme Features (changes are highlighted in Bold) |
|---------|------------------------|--|---|
| 1. | Category of the Scheme | Thematic Fund | Thematic Fund (There is no change in the category of the Scheme) |
| 2. | Investment Objective* | The investment objective of the Scheme is to deliver superior returns as compared to the underlying benchmark over the medium to long term through investing in equity and equity related securities. The portfolio of stocks will be selected, weighed and rebalanced using stock screeners, factor based scoring and an optimization formula which aims to enhance portfolio exposures to factors representing 'good investing principles' such as growth, value and quality within risk constraints. There is no assurance that the investment objective of the Scheme will be achieved. | The investment objective of the Scheme is to deliver superior returns as compared to the underlying benchmark over the medium to long term through investing in equity and equity related securities. The portfolio of stocks will be selected, weighed and rebalanced based on a quant model theme . There is no assurance that the investment objective of the Scheme will be achieved. |
| 3. | Investment Strategy* | <u>What is a factor model and why do factors work and why the preference for a multi-factor approach?</u> Factor strategies (also known as smart beta) today combine active and passive investing models providing the investors with the tools to express investment preferences and philosophies in an efficient manner Driven primarily by underperformance and shrinking alpha particularly in the large cap space, such strategies have, in recent years, gained tremendous popularity particularly in developed markets. | <u>What is a factor model and why do factors work and why the preference for a multi-factor approach?</u> Factor strategies (also known as smart beta) today combine active and passive investing models providing the investors with the tools to express investment preferences and philosophies in an efficient manner. Driven primarily by underperformance and shrinking alpha particularly in the large cap space, such strategies have, in recent years, gained tremendous popularity particularly in developed markets. |

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| | | <p>Globally, some of the most researched factors and the reasons for the risk-premia associated with them are the following:</p> <p>Table 1: Illustration of globally most researched factors and reasons for associated risk premia</p> <table border="1" data-bbox="335 225 869 578"> <thead> <tr> <th>Factor</th> <th>Performance/Risk drivers</th> </tr> </thead> <tbody> <tr> <td>Growth</td> <td> <ul style="list-style-type: none"> Premium associated with companies that have consistently delivered on Earnings growth. Since most of the present value of these companies comes from future cash-flows, they are most susceptible to changes in interest rates (discount rate) and the growth outlook. </td> </tr> <tr> <td>Quality</td> <td> <ul style="list-style-type: none"> Well run companies with high earnings visibility. Companies that typically avoid over leveraging and are perceived as being less risky. Perception of lower risk brings down cost of capital, improving margins and increasing return on equity. </td> </tr> <tr> <td>Value</td> <td> <ul style="list-style-type: none"> Typically highly leveraged companies with lower ability to withstand macro shocks. Value premium can be viewed as a compensation for macro risk. </td> </tr> </tbody> </table> <p><u>How to measure factor exposures?</u></p> <p>Stock level exposures to various factors can be measured by one or any of the following descriptors. The below list is not an exhaustive list. As markets evolve and data availability as well as academic research becomes more sophisticated, the understanding and definitions of factors may keep evolving.</p> <p>Table 2: Commonly used descriptors for factors (this is not an exhaustive list. The DSP Quant Fund uses 5 factors out of the below list)</p> <table border="1" data-bbox="335 872 869 1225"> <thead> <tr> <th>Factor</th> <th>Fundamental measures</th> </tr> </thead> <tbody> <tr> <td>Growth</td> <td> <ul style="list-style-type: none"> Historical Earnings Growth Estimated Consensus Earnings Growth Growth in revenues Growth in assets </td> </tr> <tr> <td>Quality</td> <td> <ul style="list-style-type: none"> Return-on-Equity (ROE) Earnings Growth Variability Return-on-Invested Capital (ROIC) </td> </tr> <tr> <td>Value</td> <td> <ul style="list-style-type: none"> Price/Book ratio Estimated FY1 Price/Earnings ratio IDCW Yield Free-Cashflow Yield EV/EBITDA Price/Sales ratio </td> </tr> </tbody> </table> <p>The 5 factors used in the quant model have been selected based on extensive back-tests to establish whether they have historically generated excess returns over time. The factors are also selected such that there is a combination of factors corresponding to Quality, Value and Growth styles to create a multi-factor model. The selected factors need to have a low correlation with each other with both pro-cyclical and defensive factors in order to have a more balanced performance across both 'bull' and 'bear' markets.</p> <p>At every re-balance, the latest factor data for each company is refreshed and a percentile score is assigned for each company across the selected 5 factors, which is combined into an aggregate score for relative company percentile ranking. The aggregate scores are used for determination of final portfolio constituents and weights.</p> <p>An investment committee review of the model including the selected factors is done annually. The AMC may review and modify the scheme's investment strategy if such changes are considered to be in the best interest of unit holders.</p> <p><u>DSP Quant Fund: Investment Strategy and Model Implementation</u></p> <p>Our aim is to create a model based fund that is anchored around fundamental principles of good investing. The endeavor is to create an automated stock picking and weighting model that generates portfolios which maximize characteristics of the chosen factors while adhering to liquidity and risk concentration constraints.</p> | Factor | Performance/Risk drivers | Growth | <ul style="list-style-type: none"> Premium associated with companies that have consistently delivered on Earnings growth. Since most of the present value of these companies comes from future cash-flows, they are most susceptible to changes in interest rates (discount rate) and the growth outlook. | Quality | <ul style="list-style-type: none"> Well run companies with high earnings visibility. 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For example:</p> <ul style="list-style-type: none"> Economic growth - exposure to the business cycle Real rates - risk of interest rate movements Inflation - exposure to changes in prices Credit - default risk from lending to companies <p>New factor research using machine learning</p> <p>Over the past few years, application of machine learning in the field of investment is attracting a lot of attention. A large amount of research has been conducted in this area with promising results.</p> <p>Machine learning is an umbrella term used for methods and algorithms that allow machines to uncover patterns without explicit programming instructions. In the case of stock selection, modelers supply a variety of factors that might help in forecasting future returns and use Machine Learning Algorithms to learn which factors matter and how they are related to future returns. They can uncover complex patterns and hidden relationships, including non-linear and contextual relationships that are often difficult or impossible to detect with linear analysis.</p> <p><u>How to measure factor exposures?</u></p> <p>Exposures to various factors can be measured in several ways using fundamental, price, macro and non-traditional data sets. The below list is not an exhaustive list. As markets evolve and data availability as well as academic research becomes more sophisticated, the universe of factors and definitions and measurements keeps evolving.</p> <p>Table 2: Example of commonly used descriptors for factors (this is not an exhaustive list).</p> <table border="1" data-bbox="893 1656 1540 1783"> <thead> <tr> <th>Factor</th> <th>Descriptors</th> </tr> </thead> <tbody> <tr> <td>Growth</td> <td> <ul style="list-style-type: none"> Historical Earnings Growth Estimated Consensus Earnings Growth Growth in revenues Growth in assets </td> </tr> </tbody> </table> | Factor | Performance/Risk drivers | Growth | <ul style="list-style-type: none"> Premium associated with companies that have consistently delivered on Earnings growth. 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|----------|---|---|--|---------|--|-------|---|----------|---|-------|---|
| | | <p><u>Why BSE 200 as benchmark?</u></p> <p>The Scheme will invest in stocks selected from a universe of BSE 200. We opine that BSE 200 represents a universe of reasonably liquid, well researched companies. The vast number of active funds in the large cap space are also benchmarked to BSE 200 for the same reason.</p> <p><u>Importance of negative 'exclusion' criteria:</u></p> <p>Our backtests suggest that not owning 'poorly run companies' is also a significant source of outperformance over the long term.</p> <p>We narrow down the universe by applying objective pre-defined criteria that excludes the following from the investable universe;</p> <ul style="list-style-type: none"> Exclude companies that fail to pass through proprietary earnings quality and forensic accounting and governance screeners based on reported accounting statements and other data sources including ESG ratings, shareholding data etc. Exclude companies exposed to higher default risk (higher than a predefined leverage threshold, ex-Financials) Exclude companies with higher than a predefined volatility threshold based on price and liquidity. Exclude companies which do not meet certain pre-defined ownership/shareholding criteria or which show poor capital allocation Exclude companies which show trend of steadily weakening growth and margins <p><u>Benefits of Multi-factor portfolio construction approach:</u></p> <ul style="list-style-type: none"> We select 5 factors (corresponding to the Factors that represent Quality / Value / Growth) that have historically delivered high risk adjusted returns and have low correlation with each other. We also try to balance out the factors such that the combination can be expected to have a balanced performance in both 'bull' and 'bear' markets. Since individual factors go through phases of outperformance and underperformance over a business cycle, it is imperative for a multifactor strategy to have a mix of 'pro-cyclical' and 'defensive' factors to have a balanced performance in different market conditions. Our final factor selection is also influenced by this fact. Combination of these 5 factors helps the resultant portfolio have balanced return profile across all market regimes and avoids cyclicity of performance often associated with single-factor models. Score for each company across above factors gives aggregate score for relative company ranking <p><u>Optimization Engine for determination of final portfolio constituents and weights:</u></p> <p>Maximizing portfolio level factor exposures and minimizing risk</p> <ul style="list-style-type: none"> Stock level constraints <ul style="list-style-type: none"> Stock level weights in the portfolio to be capped at 10%, (avoid concentration, ensure liquidity/capacity) Sector level constraints <ul style="list-style-type: none"> The optimizer tries to minimize active sector risks by keeping max sector active weight to 10% (diversification, avoids risk of sector rotation) Weighting scheme <ul style="list-style-type: none"> Maximize portfolio level factor exposure such that portfolio level factor exposure is highest for the given set of constraints to get the optimized weights for each stock The optimization process will also include technical factors that capture behavioural attributes reflecting in the stock price movement such as liquidity, stock price momentum, volatility Re-balancing frequency <ul style="list-style-type: none"> Quarterly | <table border="1" data-bbox="890 94 1540 421"> <tr> <td data-bbox="890 94 1077 166">Quality</td> <td data-bbox="1077 94 1540 166"> <ul style="list-style-type: none"> Return-on-Equity (ROE) Earnings Growth Variability Return-on-Invested Capital (ROIC) </td> </tr> <tr> <td data-bbox="890 166 1077 323">Value</td> <td data-bbox="1077 166 1540 323"> <ul style="list-style-type: none"> Price/Book ratio Estimated FY1 Price/Earnings ratio Dividend Yield Free-Cashflow Yield EV/EBITDA Price/Sales ratio </td> </tr> <tr> <td data-bbox="890 323 1077 368">Momentum</td> <td data-bbox="1077 323 1540 368"> <ul style="list-style-type: none"> 12 month price returns 6 month price returns </td> </tr> <tr> <td data-bbox="890 368 1077 421">Macro</td> <td data-bbox="1077 368 1540 421"> <ul style="list-style-type: none"> Sensitivity to interest rates Sensitivity to inflation </td> </tr> </table> <p>The factors used in the quant model have been selected based on extensive backtests to establish whether they have historically generated excess returns over time.</p> <p>The factors are also selected such that there is a combination of factors to create a multi-factor model.</p> <p><u>DSP Quant Fund: Investment Strategy and Model Implementation</u></p> <p>Our endeavor is to create an automated stock picking and weighting model that generates portfolio which maximize characteristics of the chosen factors while adhering to liquidity and risk concentration constraints.</p> <p>The fund will predominantly invest in stocks from a universe of BSE 200 TRI selected based on quantitative measures like data availability, liquidity, market cap etc. Subsequently, the quant model will identify stocks within the universe that display the chosen factors such as value, quality, momentum, growth, etc. based on the quant model parameters. The model parameters may be modified as per the market regime.</p> <p><u>Why BSE 200 as benchmark?</u></p> <p>The Scheme will predominantly invest in stocks selected from a universe of BSE 200. We opine that BSE 200 represents a universe of reasonably liquid, well researched companies. The vast number of active funds in the large cap space are also benchmarked to BSE 200 for the same reason.</p> <p><u>Importance of negative 'exclusion' criteria:</u></p> <p>Our backtests suggest that not owning 'poorly run companies' is also a significant source of outperformance over the long term.</p> <p>We narrow down the universe by applying objective criteria that excludes companies that are either very illiquid or score poorly on governance standards, excessive leverage or past drawdown behaviour or capital allocation or return metrics or on operating parameters consistently etc.</p> <p><u>Benefits of Multi-factor portfolio construction approach:</u></p> <ul style="list-style-type: none"> We select factors based on academic research, economic rationale and based on extensive backtests to establish whether they have historically generated excess returns over time. We also try to balance out the factors such that the combination can be expected to have a balanced performance in both 'bull' and 'bear' markets. Since individual factors go through phases of outperformance and underperformance over a business cycle, it is imperative for a multifactor strategy to have a mix of 'pro-cyclical' and 'defensive' factors to have a balanced performance in different market conditions. Our final factor selection is also influenced by this fact. <p>Combination of factors helps the resultant portfolio have balanced return profile across all market regimes and avoids cyclicity of performance often associated with single-factor models.</p> | Quality | <ul style="list-style-type: none"> Return-on-Equity (ROE) Earnings Growth Variability Return-on-Invested Capital (ROIC) | Value | <ul style="list-style-type: none"> Price/Book ratio Estimated FY1 Price/Earnings ratio Dividend Yield Free-Cashflow Yield EV/EBITDA Price/Sales ratio | Momentum | <ul style="list-style-type: none"> 12 month price returns 6 month price returns | Macro | <ul style="list-style-type: none"> Sensitivity to interest rates Sensitivity to inflation |
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| | | <p><u>Formal review at Investment Committee:</u></p> <p>An investment committee review of the model will be done annually. The AMC may review and modify the scheme's investment strategy if such changes are considered to be in the best interest of unit holders. However, such changes shall be within the overall contours of the Investment Strategy.</p> <p>Unscheduled and out-of-turn portfolio rebalances will not be undertaken unless extreme circumstances necessitate the same. Out of turn/unscheduled rebalance can occur only under below circumstances:</p> <ul style="list-style-type: none"> • Merger/Acquisition of a portfolio constituent • Issuer level ratings downgrade to non-investment grade or default status • Adverse news-flow that would completely negate original investment thesis, such as regarding misstatement of reported financial information • Notification to exchanges regarding significant changes to the composition of board of a portfolio constituent, change of auditors, earnings restatement, adverse outcome in pending litigation proceedings <p>The decision to do an unscheduled re-balance must be ratified by the investment committee. The impacted portfolio constituent would be removed and the weight will be re-distributed across the remaining portfolio constituents.</p> <p>Step-wise description of the investment strategy</p> <p>Step 1: Universe</p> <ul style="list-style-type: none"> • Start with the BSE 200 index Universe (200 stocks) <p>Step 2: Exclusion criteria</p> <ul style="list-style-type: none"> • Exclude companies that fail to pass through proprietary earnings quality and forensic accounting screeners based on reported accounting statements • Exclude companies exposed to higher default risk (higher than a predefined leverage threshold, ex-Financials) • Exclude companies with higher than a predefined volatility threshold • Exclude companies which do not meet certain pre-defined ownership/shareholding criteria • After applying the exclusion criteria for recent backtests, the universe is reduced to about 80-100 companies <p>Step 3: Inclusion criteria</p> <ul style="list-style-type: none"> • For the remaining set of companies in the universe: • Percentile score assigned for each company across selected factors, which is combined into an aggregate score for relative company percentile ranking (equally weighted for each factor). The factors include 5 metrics capturing Quality, Growth and Value characteristics through objective ratios. • Include for consideration only top ranked companies (highest aggregate score) which constitute 50% of BSE 200 index by weight. This further reduces the stocks that will be considered for inclusion in the portfolio to about 30-50 stocks in recent rebalances as per back-tests. | <p>Determination of final portfolio constituents and weights:</p> <p>The quant model will identify stocks that display the chosen factors such as value, quality, momentum, growth, etc. based on the model parameters. The model parameters may be modified as per the market regime.</p> <p>The process from universe selection to portfolio construction would be largely systematic and optimized with the aim of maximizing the return within prudent risk constraints.</p> <p>The weights are primarily optimised around prudent diversification, with inputs from volatility observed, consideration of portfolio churn etc.</p> <p>Stock level weights in the portfolio to be capped at 10%, (avoid concentration, ensure liquidity/capacity)</p> <p>The portfolio of the Scheme will be reviewed constantly and rebalanced on at least monthly basis based on the output of the model. The fund manager will review, update and maintain the model on an ongoing basis and make changes as and when necessary.</p> <p>Although the scheme will predominantly invest in stocks as per the quant model theme, it retains the flexibility to take some exposure beyond the theme based on the Fund manager's discretion. The Fund manager may use some discretion to adapt investment rules/factors to novel market phases, at inflection points and to manage volatility.</p> <p>The AMC may review and modify the quant model if such changes are considered to be in the best interest of unit holders. However, such changes shall be within the overall contours of the Investment Strategy.</p> <p><i>There is no change in provisions related to "Covered call strategy", "Derivative Strategies" and "Portfolio Turnover" mentioned under this section in existing SID.</i></p> |

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| | | <p>Step 4: Portfolio construction: Optimizer inputs and constraints</p> <ul style="list-style-type: none"> Inputs for selected stocks: Respective weights in BSE 200 index, aggregate score (output of Step 3) The optimization process will also include quantitative inputs that capture behavioral attributes such as price and volume-based measures Stock constraints embedded: Stock level: Maximum weight of 10% <p>Sector constraints embedded: active weight of +/- 10% deviation allowed from sector weight in BSE 200 index. If no stock is eligible from a sector, that sector would be absent from the portfolio</p> <p>Step 5: Optimizer objective function and Output</p> <ul style="list-style-type: none"> Run the optimizer with the utility function of maximizing portfolio level aggregate score (using output of step 3) and constraints as described in Step 4. Output: stock level weight for the portfolio <p>The Optimiser refers to the automated process for assigning weights to the selected portfolio companies. This is not a discretionary process and is done based on set rules without human intervention.</p> <p>Step 6: Rebalance the portfolio on a Quarterly basis</p> <p><i>There is no change in provisions related to "Covered call strategy", "Derivative Strategies" and "Portfolio Turnover" mentioned under this section in existing SID.</i></p> | |
| 4. | Any other changes Product Labeling | <p>This product is suitable for investors who are seeking*:</p> <ul style="list-style-type: none"> Long-term capital growth Investment in active portfolio of stocks screened, selected, weighed and rebalanced on the basis of a pre-defined fundamental factor model <p>* Investors should consult their financial advisers if in doubt about whether the Scheme is suitable for them.</p> | <p>This product is suitable for investors who are seeking*:</p> <ul style="list-style-type: none"> Long-term capital growth Investment in active portfolio of stocks screened, selected, weighed and rebalanced on the basis of a quant model <p>* Investors should consult their financial advisers if in doubt about whether the Scheme is suitable for them.</p> |
| 5. | Any other changes Risk Factors | <p>Risks associated with the Scheme's Model based Strategy</p> <p>The Scheme proposes to invest in an active portfolio of equity and equity related instruments by screening, selecting and weighting stocks based on a pre-defined fundamental factor model. The model has been designed on the basis of rigorous back-testing and research of fundamental investment principals and tenets of factor investing. There is no guarantee that the factor model will generate higher returns as compared to the benchmark.</p> <p><i>There is no change in other risk factors mentioned under this section in existing SID.</i></p> | <p>Risks associated with the Scheme's Model based Strategy</p> <p>The Scheme proposes to invest in an active portfolio of equity and equity related instruments by screening, selecting and weighting stocks based on a quant model. The model has been designed on the basis of rigorous back-testing and research. There is no guarantee that the factor model will generate higher returns as compared to the benchmark.</p> <p><i>There is no change in other risk factors mentioned under this section in existing SID.</i></p> |

*** Considered as Fundamental Attribute Change**

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

- The Board of Directors of DSP Asset Managers Private Limited and the Board of Directors of DSP Trustee Private Limited, have approved the above proposed changes. Further, SEBI, vide its email dated September 27, 2024 has taken on record the proposed changes.
- In line with regulatory requirements, for scheme where a change in fundamental attributes is being proposed, we are offering an exit window ("Exit Option") to the Unit holders of 31 days (minimum 30 days) from October 28, 2024 to November 27, 2024 (both days inclusive) ("Exit Option Period"). These changes will be effective from November 28, 2024 ("Effective Date"). During the Exit Option Period, unit holders not consenting to the change may either switch to any other scheme of the Fund or redeem their investments at applicable Net Asset Value without payment of exit load subject to provisions of applicable cut-off time as stated in the Scheme Information Document (SID) of the Scheme. All transaction requests received on or after November 28, 2024 will be subject to applicable exit load (if any), as may be applicable to the Scheme mentioned above.
- Redemption/switch requests, if any, may be lodged at any of the Official Points of Acceptance of the Fund.
- The above information is also available on the website of the Fund i.e. www.dspim.com.
- Unit holders who have pledged / encumbered their units will not have the option to exit unless they submit a letter of release of their pledges / encumbrances prior to submitting their redemption / switch requests.
- Investors who have registered for Systematic Investment Plan (SIP) in the Scheme and who do not wish to continue their future investments must apply for cancellation of their SIP registrations.
- The redemption warrant/cheque will be mailed or the amount of redemption will be credited to the unit holders bank account (as registered in the records of the Registrar, Computer Age Management Services Limited) within 3 (three) working days from the date of receipt of redemption request.

DSP Asset Managers Private Limited

Registered Office: 10th Floor, Mafatjal Centre, Nariman Point, Mumbai 400021, India
CIN U65990MH2021PTC362316 • +91 22 6657 8000 • www.dspim.com • Email: dspam@dspim.com

11. It may be noted that the offer to exit is purely optional and not compulsory. If the Unit holder has no objection to the aforesaid change, no action is required to be taken and it would be deemed that such Unit holder has consented to the aforesaid change.
12. Please note that unit holders who do not opt for redemption on or before November 27, 2024 (upto 03.00 p.m.) shall be deemed to have consented to the changes specified herein above and shall continue to hold units in the Scheme of the Fund. In case the unit holders disagree with the aforesaid changes, they may redeem all or part of the units in the Scheme of the Fund by exercising the Exit Option, without exit load within the Exit Option Period by submitting a redemption request online or through a physical application form at any official point of acceptance/investor service center of the AMC or to the depository participant (DP) (in case of units held in Demat mode). Unit holders can also submit the normal redemption form for this purpose.
13. The option to redeem the Units without exit load during the Exit Option Period can be exercised in the following manner:
 - (a) Unit holders can submit redemption requests online or via duly completed physical application form at any official points of acceptance/investor service center of the AMC or to the DP (in case of units held in Demat mode).
 - (b) The redemption/ switch requests shall be processed at applicable NAV as per time stamping provisions contained in the SID of the Scheme.
 - (c) Unit holders should ensure that any changes in address or pay-out bank details required by them, are updated in Fund's records at least 10 (Ten) working days before exercising the Exit Option. Unit holders holding Units in dematerialized form may approach their DP for such changes.
14. The expenses related to the proposed changes and other consequential changes as outlined above will not be charged to the unit holders of the Scheme of the Fund.
15. **Tax Consequences:**

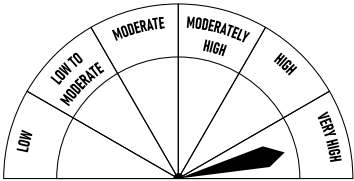
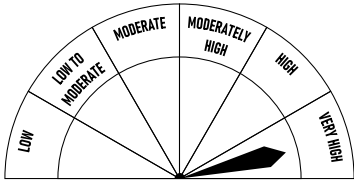
Redemption / switch-out of units from the Scheme may entail capital gain/loss in the hands of the unitholder. For unit holders who redeem their investments during the Exit Option Period, the tax consequences as set forth in the Statement of Additional Information of the Fund and Scheme Information Document of Scheme of the Fund would be applicable. In case of NRI investors, TDS shall be deducted from the redemption proceeds in accordance with the prevailing income tax laws. In view of the individual nature of tax consequences, Unitholders are advised to consult their professional tax advisors for tax advice.

Unit holders who require any further information may contact:

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

Existing product labelling of the Scheme-

DSP Quant Fund (An Open Ended Equity Scheme investing based on a quant model theme)

| This product is suitable for investors who are seeking*: | Scheme Riskometer | Benchmark Riskometer |
|---|--|---|
| <ul style="list-style-type: none"> • Long-term capital growth • Investment in active portfolio of stocks screened, selected, weighed and rebalanced on the basis of a pre-defined fundamental factor model <p>*Investors should consult their financial advisers if in doubt about whether the Scheme is suitable for them.</p> |  <p style="text-align: center;">RISKOMETER <small>INVESTORS UNDERSTAND THAT THEIR PRINCIPAL WILL BE AT VERY HIGH RISK</small></p> | <p>As per AMFI Tier I Benchmark i.e. BSE 200 TRI</p>  <p style="text-align: center;">RISKOMETER <small>INVESTORS UNDERSTAND THAT THEIR PRINCIPAL WILL BE AT VERY HIGH RISK</small></p> |

(For latest Riskometers, investors may refer on the website of the Fund viz. www.dspim.com)

Yours sincerely,

For and on behalf of DSP Asset Managers Private Limited

**Sd/-
 Authorised signatory**

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