

March 18, 2020

Valuation of Yes Bank Ltd. locked-in shares & distribution of proceeds post lock in period.

Background:

The Ministry of Finance on March 14, 2020 published the Yes Bank Limited Reconstruction Scheme, 2020 (Scheme) and this came into force on 13 March 2020. The scheme imposes a lock-in period of three years from the commencement of the scheme on the holding of Yes Bank shares, to the extent of 75% held by existing shareholders on the date of such commencement and shares allotted to the investors under this scheme. These restrictions will apply to all those shareholders who own over 100 shares in Yes Bank.

Further to operationalize the scheme the Depositories shall transfer all existing shares of Yes Bank under existing ISIN (INE528G01027) to the new ISIN (INE528G01035) and are instructed to ensure that appropriate amount of securities should be maintained under lock-in under the new ISIN for a period of three years.

Valuation methodology:

The committee believed that while the balance 25% of Yes bank shares is not subject to lock in, it will not be appropriate to consider their traded price for valuing Locked-in Yes Bank Shares and as prescribed in the valuation policy, appropriate discounting be applicable for holding which is subject to lock-in for more than 3 months.

In addition to above, the committee further took a note of issues Index funds would face as below:

- Yes bank will be exclude from the index as at the close of March 18, 2020. If Locked-in Yes Bank shares are assigned a value it would continue to have some weightage in the portfolio which will lead to continuous tracking error till the lock in period.

Understanding the above, the valuation committee decided that the locked in exposure (75% holding) in the DSP Equal Nifty 50 Fund and DSP Nifty 50 Index Fund towards YES Bank Limited should be valued at 'zero' (details of which are mentioned in **Annexure I**).

Additional disclosure pursuant to guidance from AMFI

Further to the above and as per the guidance issued by AMFI vide correspondence 35P/MEM-COR/57/2019-20 we would like to inform the investors that any realization of proceeds from the locked-in shares of Yes Bank Ltd. (post conclusion of the lock in period) shall be distributed among the set of investors existing in the unit holders' register / BENPOS as on end of March 13, 2020.

DSP INVESTMENT MANAGERS PRIVATE LIMITED (Formerly, DSP BlackRock Investment Managers Pvt. Ltd.)

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Annexure I - Holding Details of Yes Bank shares

Scheme Name	ISIN	Date	Quantity	Market Price	Market Value	% to Net Assets
DSP Equal Nifty 50 Fund	INE528G01027	13-Mar-20	420,956	25.55	10,755,425.80	1.27%
DSP Nifty 50 Index Fund	INE528G01027	13-Mar-20	20,634	25.55	527,198.70	0.14%

Scheme Name	ISIN	Date	Holding Type	Quantity	Quantity Sold	Balance Quantity	Market Price	Market Value	% to Net Assets	% impact on NAV
DSP Equal Nifty 50 Fund	INE528G01035	16-Mar-20	Free Hold	105,239		105,239	37.1	3,904,366.90	0.50%	0.00%
DSP Equal Nifty 50 Fund	INE528G01035	16-Mar-20	Lock-In	315,717		315,717	0	0.00	0.00%	1.50%
DSP Nifty 50 Index Fund	INE528G01035	16-Mar-20	Free Hold	5,158.0	231	4,927	37.1	182,791.70	0.05%	0.00%
DSP Nifty 50 Index Fund	INE528G01035	16-Mar-20	Lock-In	15,476.0		15,476	0	0.00	0.00%	0.16%

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