



## SCHEME INFORMATION DOCUMENT

### D S P S i l v e r E T F

(An open ended exchange traded fund replicating/tracking domestic prices of silver)

#### **Annexure - Information available through weblink**

##### **I. Liquidity/Listing details**

###### **Liquidity Details:**

###### **On the Exchange**

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 and or BSE Limited or any other stock exchange where the Scheme is proposed to be listed.

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 at least two Market Maker(s) who are the member of Stock Exchange to provide liquidity in secondary market on an ongoing basis. The Market Maker(s) would offer daily two-way quote in the market.

###### **Directly with the Mutual Fund**

The Scheme offers units for subscription / redemption directly with the Mutual Fund in creation unit size to Market Makers / and Large Investors as prescribed.

Further, in terms of clause 3.6.2.2 of SEBI Master Circular, investors can directly approach AMC for redemption of units for transaction of more than Rs. 25 Crore, subject to creation unit size.

Investors can also directly approach AMC for redemption of units for transaction of upto Rs. 25 Crore without any exit load, if:

- a) 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
- b) No quotes for such ETFs are available on stock exchange(s) for 3 consecutive trading days, or
- c) Total bid size on the exchange is less than half of creation units size daily, averaged over a period of 7 consecutive trading days.

The above instances shall be tracked by the AMC on an ongoing basis and incase if any of the above mentioned scenario arises the same shall be disclosed on the website of the AMC i.e. <http://www.dspim.com>

###### **Listing details:**

The units of DSP Silver ETF are listed on National Stock Exchange of India Limited and or BSE Ltd.

##### **II. NAV Disclosure**

The first NAV will be calculated and declared within 5 Business days from the date of allotment. The NAVs of the Scheme/plans will be calculated by the Mutual Fund on each Business Day and will be made available by 9:00 a.m. on the following Business Day.

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 'Restriction on redemption of units' in the SAI.

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.

#### **Indicative NAV (iNAV):**

The AMC shall also calculate indicative NAV and will be updated during the market hours on its website [www.dspim.com](http://www.dspim.com). Indicative NAV will not have any bearing on the creation or redemption of units directly with the Fund by the Market Makers / Large Investors.

Indicative NAV(iNAV) shall be disclosed on Stock exchange(s), where the units will be listed, on continuous basis during the trading hours

iNAV disclosed for the Scheme may either be static or dynamic depending upon the availability of the underlying price.

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.

Refer relevant disclosures mentioned in the Statement of Additional Information ('SAI') available on the AMC's website. i.e. [www.dspim.com](http://www.dspim.com).

#### **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.

NAVs will be rounded off to four decimal places. The valuation of the Schemes' assets and calculation of the Schemes' NAVs shall be subject to audit on an annual basis and such regulations as may be prescribed by SEBI from time to time.

Note: In respect of Schemes having Growth and IDCW Options, there will be more than one NAV, one for each Option, after the declaration of the first IDCW by that Scheme.

Disclosure to the effect that the repurchase price shall not be lower than 97% of the NAV. For other details such as policies w.r.t computation of NAV, rounding off, investment in foreign securities, procedure in case of delay in disclosure of NAV etc. refer to SAI.

#### **Valuation of Physical Silver:**

Physical silver will be valued basis the market price of silver in the domestic market and will be marked to market daily. The market price of silver in the domestic market on any Business Day would be derived as under:

1. The silver held shall be valued at the AM fixing price of LBMA in US dollars per troy ounce having a fineness of 999.0 parts per 1000, subject to the following:
  - a. it will be adjusted for conversion to metric measures as per standard conversion rate if required;
  - b. further adjustment for conversion of US dollars into Indian rupees as per the RBI reference rate declared by the Foreign Exchange Dealers Association of India (FEDAI); and
  - c. it will be further adjusted for the below additions -
    - I. transportation charges and other charges viz. Insurance, fixing charges, etc. that may be incurred in procuring such silver from London to the place where it is physically stored; &
    - II. notional customs duty and applicable taxes and levies that may be incurred to procure silver from London to the place where it is physically stored;

Provided that the additions under clause (c) may be made on the basis of a notional premium that is charged for delivery of silver to the place where it is physically stored.

Provided that the adjustment under above may be made on the basis of a notional premium that is usually charged for delivery of silver to the place where it is stored on behalf of the mutual fund

Provided further that where the silver held by a Scheme is of a greater fineness, the relevant LBMA prices of AM fixing shall be considered as the reference price under this sub-paragraph.

2. If the silver acquired by the silver exchange traded fund scheme is not in the form of standard bars, it shall be assayed and converted into standard bars which comply with the good delivery norms of the LBMA and thereafter valued in terms of sub-paragraph (1).

#### **Ongoing price for subscription (purchase)/ redemption (sale) by investors through various modes:**

##### **I. Through Stock Exchange(s):**

##### **a. For Subscription through Stock Exchange(s):**

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.

##### **b. 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.

## **II. For subscription / redemption of units directly with mutual fund in cash:**

Mutual Fund will allow subscription / redemption of units from Market Makers (MM) / Large Investors (LI) (subject to the value of such transaction is greater than threshold of INR 25 Cr. (Twenty-Five crores) on any Business Day in Creation Unit size at Applicable NAV, 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.

### **a. For Subscription of units in Creation Unit size for Cash:**

- AMC shall allow cash purchases of units in Creation Unit Size by MM/LI. They shall make creation request to the AMC where upon the AMC will arrange to purchase the underlying physical silver.  
MM/LI may submit an application for the purchase of units in Creation unit size to the AMC on any business day, based on Intra-day NAV (based on the actual execution price of the underlying portfolio) by payment of requisite cash as determined by AMC by means of payment instruction of Real Time Gross Settlement (RTGS) or National Electronic Funds Transfer (NEFT) or any other (electronic) mode as may be decided by AMC from time to time.
- On receipt of confirmation of purchase by the AMC on behalf of MM/LI, AMC will instruct the Registrar & Transfer Agent the total number of units to be created & upon realization of the requisite cash, the creation of units will be at the Applicable NAV.

### **b. For Redemption of units in Creation Unit size for Cash:**

- Also, AMC provides for cash redemption of units in Creation Unit Size by MM/LI. On receipt of such redemption requests, AMC will arrange to sell physical silver on behalf of the MM/LI. Accordingly, the sale proceeds of physical silver after adjusting necessary charges / costs & exit load, if any will be remitted to the MM/LI.
- The redemption price for redemption of units in Creation Unit Size will be based on the Applicable NAV and transaction costs, if any on the date of redemption request..
- Redemption proceeds will be dispatched to MM/LI within 10 Business days of the date of redemption, subject to confirmation with the depository records of the Scheme's DP account.

The role of AMC is of a facilitator to the Market Makers/Large Investors to purchase /sell Silver on their behalf for the purpose of creating /redeeming units of the scheme in Creation Unit Size.

The Fund may from time to time change the size of the Creation Unit size in order to equate it with marketable lots of underlying instruments.

## **III. For subscription / redemption of units directly with mutual fund using portfolio deposit and cash component:**

**Portfolio Deposit:** will be in predefined quantity (i.e. weighing 30 Kg) & in multiples of 30 Kg & purity (fineness) of 999 parts per 1000 (99.9%) of physical silver. The quantity & purity (fineness) of physical silver will be defined & announced by the AMC from time to time.

**Cash Component:** represents the difference between the applicable net asset value (NAV) of a creation unit size and the market value of the Portfolio Deposit.

The Creation Unit size will be 30,000 units and in multiples of 1 unit thereof.

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.

### **a. For Subscription of units in Creation Unit size with Portfolio Deposit and Cash Component:**

- 1) MM/LI may submit an application for purchase of units in Creation Unit Size to the AMC on any Business Day.
- 2) By submitting the application, the MM/LI agree to transfer (deposit) the Portfolio Deposit (i.e. physical silver) and / or the cash component in the scheme's account.

- 3) MM/LI are required to transfer (deposit) the Portfolio Deposit (i.e. physical silver) to the Custodian, while the balance Cash Component, if any has to be paid to the AMC only by means of payment instruction of Real Time Gross Settlement (RTGS) or National Electronic Funds Transfer (NEFT) or any other (electronic) mode as may be decided by AMC from time to time.
- 4) As per the agreement with Custodian for physical silver, Custodian will accept physical silver only if it is in compliance with the good delivery norms of LBMA and such other documents that the Custodian may require from time to time so as to adequately indicate the purity of the Silver deposited with it.
- 5) On having credited the scheme's account with silver deposits in the physical form, Custodian will confirm to the AMC of vaulting of silver and in turn AMC will instruct the Registrar & Transfer Agent, the total number of units to be created & upon realization of Cash Component, the creation of units will be at the Applicable NAV of the scheme.

**For Redemption of units in Creation Unit size with Portfolio Deposit and Cash Component:**

- 1) The procedure by which an MM/LI can redeem units of the scheme in Creation unit size will mirror the procedure for the subscription of units in creation unit size as above.
- 2) MM/LI may make a redemption request to the AMC for redemption of units in Creation Unit size on any business day in a duly filled redemption form.
- 3) The request for redemption by MM/LI needs to be enclosed with the delivery order used in the depository system duly acknowledged by the DP with whom the MM/LI has a depository account stating the number of units transferred to the scheme's DP account.
- 4) The redemption price for redemption of units in Creation Unit Size will be based on the applicable NAV and transaction charges, if any on the date of redemption request.
- 5) The delivery of physical silver to MM/LI will be made at the location communicated by the AMC/Custodian within the jurisdiction of Mumbai. The expenses associated with taking physical delivery of silver will have to be borne by the MM/LI.
- 6) Cash Component, if any, of the Redemption proceeds will be despatched to MM/LI within 10 Business days of the date of redemption, subject to confirmation with the depository records of the Scheme's DP account.

**The Portfolio Deposit and Cash Component may change from time to time due to change in NAV and will be decided and announced by AMC.**

**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.
3. The Portfolio Deposit and / or Cash Component for DSP SILVER ETF may change from time to time.
4. 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.
5. The scheme shall meet its expenses out of the cash held & in case, the cash is insufficient to meet the expenses, the scheme may be required to sell the Portfolio Deposit to meet the Scheme expenses resulting into Portfolio Deposit being lower than the units allotted under the scheme.
6. AMCs shall facilitate in-kind creation and redemption of units of Scheme by MMs on a best effort basis.

### III. Applicable timelines for dispatch of redemption proceeds, etc.

**Timeline for Dispatch of redemption proceeds:** The Redemption or repurchase proceeds shall be dispatched to Unit Holders within three Working Days from the date of acceptance of redemption or repurchase.

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 the SEBI Master Circular, the AMC may not be able to adhere with the timelines prescribed above.

**Dispatch of IDCW:** Not Applicable

However, the AMC will not be liable to pay any interest or compensation or any amount otherwise, in case the AMC / Trustee is required to obtain from the investor / unit holders verification of identity or such other details relating to subscription for Units under any applicable law or as may be required by a regulatory body or any government authority, which results in delay in processing the application.

### IV. Breakup of 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 and Transfer Agent'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.

The AMC has estimated that upto 1.00% of the daily average net assets of the scheme will be charged to the scheme as expenses. For the actual current expenses being charged, the investor should refer to the website of the mutual fund.

#### **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)^
On daily net assets	1.00%

#### **Notes to Table 1:**

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

- 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.

#### **GST on investment and advisory fees:**

- 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:**

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 necessarily be paid from the scheme only within the regulatory limits and not from the books of AMC, its associate, sponsor, trustees or any other entity through any route in terms of SEBI circulars, subject to the clarifications provided by SEBI to AMFI vide letter dated February 21, 2019 on implementation of clause 10.1.12 of Master Circular on Total Expense Ratio (TER) and performance disclosure for Mutual Fund.

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)(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.	Expense Heads	% p.a. of daily net assets (Estimated p.a.)
(i)	Investment Management and Advisory Fees	
(ii)	Audit Fee/Fees and expenses of trustees*	
(iii)	Custodial fees	
(iv)	Registrar & Transfer Agent (RTA) Fees including cost of providing account statements / IDCW / redemption cheques/ warrants	
(v)	Marketing & Selling expense including agent commission and statutory Advertisements	

(vi)	Cost related to investor communications	Upto 1.00%
(vii)	Cost of fund transfer from location to location	
(viii)	Cost towards investor education & awareness (5% of total TER charged to direct plans or 0.005 percent of AUM, whichever is less)	
(ix)	Brokerage & transaction cost pertaining to distribution of units	
(x)	Goods & Services Tax on expenses other than investment and advisory fees	
(xi)	Goods & Services Tax on brokerage and transaction cost	
(xii)	Brokerage & transaction cost over and above 0.12 percent and 0.05 percent for cash and derivative market trades, respectively.	
(a)	<b>Maximum total expense ratio (TER) permissible under Regulation 52 (6) (b)</b>	Upto 1.00%

\*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 above expense structures are indicative in nature. Actual expenses could be lower than mentioned above.

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

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

#### B. 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	100.00	
(B) Annual income accrued to the scheme	15	15%
(C) Annual expense charged by the scheme	1.75	1.75%
(D) Closing NAV at the end of the year (D=A+B-C)	113.25	
(E) Net annual return to investors (E=D-A)	13.25	13.25%

Link for TER for last 6 months and Daily TER: <https://www.dspim.com/mandatory-disclosures/ter>

#### V. Definitions

<b>Business Day/Working Day</b>	<p>A day other than:</p> <p>(1) Saturday and Sunday;</p> <p>(2) a day on which the National Stock Exchange / BSE is closed</p> <p>(3) a day on which the Sale and Redemption of Units are suspended</p> <p>The AMC reserves the right to declare any day as a non-business day at any of its locations at its sole discretion.</p>
<b>Creation Date</b>	The date on which DSPSETF Units are created
<b>Creation Unit Size</b>	<p>Creation Unit is fixed number of units of the Scheme, which is exchanged against a predefined quantity and purity (fineness) of physical silver called the "Portfolio Deposit" and a "Cash Component" or cash of equivalent value. The Portfolio Deposit and Cash Component are defined as follows:</p> <p><b>Portfolio Deposit:</b> Portfolio Deposit consists of physical silver which will be of predefined quantity and purity (fineness) as announced by the AMC from time to time.</p>



	<p><b>Cash Component:</b> Cash component represents the difference between the applicable net asset value (NAV) of a creation unit size and the market value of the Portfolio deposit.</p> <p>The Portfolio Deposit and Cash Component may change from time to time due to change in NAV and will be decided and announced by AMC. The Creation Unit size for the scheme shall be 30,000 units and in multiples of 1 unit thereof.</p> <p>For redemption of units it is vice versa i.e. fixed number of units of Scheme are exchanged for Portfolio Deposit and/ or Cash Component of the Scheme.</p> <p>The Portfolio Deposit and/ or Cash Component will change from time to time due to change in NAV and will be announced by the AMC on its website.</p> <p>The Fund may also allow Cash subscription /redemption of the Scheme in in creation unit size by Market Makers and large investors.</p> <p>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.</p>
<b>Custodian</b>	Deutsche Bank AG, Mumbai branch, acting as custodian to the Schemes, or any other Custodian who is approved by the Trustee.
<b>DSPSETF/Scheme</b>	DSP Silver ETF
<b>Scheme Information Document/SID</b>	This document issued by DSP Mutual Fund, offering Units of DSP Silver ETF.

For common definitions please refer - <https://www.dspim.com/mandatory-disclosures/disclosures-under-offer-documents/definitions-interpretation>

## ABBREVIATIONS & INTERPRETATIONS

In this SID the following abbreviations have been used:

<b>AMC:</b>	Asset Management Company	<b>NAV:</b>	Net Asset Value
<b>AMFI :</b>	Association of Mutual Funds in India	<b>NEFT:</b>	National Electronic Funds Transfer
<b>AML:</b>	Anti-Money Laundering	<b>NFO:</b>	New Fund Offer
<b>ASBA:</b>	Application Supported by Blocked Amount	<b>NRI:</b>	Non-Resident Indian
<b>AOP:</b>	Association of Person	<b>NRE:</b>	Non Resident External
<b>BSE:</b>	BSE Ltd.	<b>NRO:</b>	Non Resident Ordinary
<b>BSE StAR MF:</b>	BSE Stock Exchange Platform for Allotment and Repurchase of Mutual Funds	<b>NSE / National Stock Exchange:</b>	National Stock Exchange of India Ltd.
<b>CAS:</b>	Consolidated Account Statement	<b>NSDL:</b>	National Securities Depository Limited
<b>CAMS:</b>	Computer Age Management Services Ltd.	<b>OTC:</b>	Over the Counter
<b>CDSL:</b>	Central Depository Services (India) Limited	<b>OTM:</b>	One Time Mandate
<b>DFI:</b>	Development Financial Institutions	<b>POA:</b>	Power of Attorney
<b>DP:</b>	Depository Participant	<b>PIO:</b>	Person of Indian Origin
<b>ECS:</b>	Electronic Clearing System	<b>PMLA:</b>	Prevention of Money Laundering Act, 2002
<b>EFT:</b>	Electronic Funds Transfer	<b>POS:</b>	Points of Service
<b>FIRC:</b>	Foreign Inward Remittance Certificate	<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>DP:</b>	Depository Participant	<b>SEBI:</b>	Securities and Exchange Board of India
<b>HUF:</b>	Hindu Undivided Family	<b>SI:</b>	Standing Instructions
<b>iNAV</b>	Indicative Net Asset Value	<b>STT:</b>	Securities Transaction Tax
<b>IMA:</b>	Investment Management Agreement	<b>SCSB:</b>	Self-Certified Syndicate Bank
<b>ISC:</b>	Investor Service Centre	<b>TREPs:</b>	Tri-Party Repos
<b>IDCW:</b>	Income Distribution cum Capital Withdrawal	<b>UBO:</b>	Ultimate Beneficial Ownership
<b>KYC:</b>	Know Your Customer	<b>STT:</b>	Securities Transaction Tax
<b>MFSS:</b>	Mutual Fund Service System	<b>MFU:</b>	MF Utilities India Pvt. Ltd.

## 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.

## VI. Risk factors

Scheme specific risk factors:

The specific risk factors related to the Scheme include, but are not limited to the following:

- **Market Risk:** The value of the Units relates directly to the value of the silver held by the Scheme and fluctuations in the price of silver could adversely affect investment value of the Units. The factors that may affect the price of silver, inter alia, include demand & supply, economic and political developments, changes in interest rates and perceived trends in bullion prices, exchange rates, inflation trends, market movements, movement/trade of silver that may be imposed by RBI, trade and restrictions on import/export of silver or silver jewellery etc. Hence the investor may also lose money due to fluctuation in the prices of the silver. The returns from physical silver may underperform returns from any other asset class. Price volatility in Silver as a commodity may be much higher because of the industrial use of it. The commodity also goes through different business cycle according to demand situation arising from specific industries. Silver as a commodity is very different from Gold. While Gold is considered as the most defensive bet and has act as safe haven to an investor the same may not be the case with silver.
- **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.
- **Liquidity Risk:** Trading in units of the scheme on the Exchange may be halted because of market conditions or for reasons that in view of the Exchange authorities or SEBI, trading in units of the scheme is not advisable. In addition, trading in units is subject to trading halts caused by extraordinary market volatility and pursuant to Stock Exchange(s) and SEBI "circuit filter" rules as applicable from time to time. There can be no assurance that the requirements of the exchange/s necessary to maintain the listing of units of the scheme will continue to be met or will remain unchanged.

The Mutual Fund scheme has to sell silver only to bullion bankers/ traders who are authorized to buy silver. Though, there are adequate number of players (commercial or bullion bankers) to whom the Fund can sell silver. However, the Fund may have to resort to distress sale of silver if there is no or low demand for silver to meet its cash needs of redemption or expenses. The Scheme may retain certain investments in cash or cash equivalents for its day-to-day liquidity requirements. The Trustee, in general interest of the Unit holders of the Scheme offered under this Scheme Information Document and keeping in view of the unforeseen circumstances / unusual market conditions, may limit the total number of Units, which can be redeemed on any Business Day

#### **The Lack of an Active Trading Market**

Although the units are listed and traded on the exchange, there can be no guarantee that an active trading market for the units will be maintained. If you need to sell your Shares at a time when no active market for them exists, the price you receive, assuming that you are able to sell them, likely will be lower than the price you would receive if an active market did exist.

#### **Withdrawal from Participation by Market Makers May Affect the Liquidity of Units**

If one or more Market Makers withdraws from participation, it may become more difficult to create or redeem Creation Units, which may reduce the liquidity of the Units. Such circumstances may be more pronounced in market conditions of increased volatility. If it becomes more difficult to create or redeem Creation Units, the correlation between the price of the Units and the NAV may be affected, which may affect the trading market for the Units.

- **Regulatory Risk:** Any changes in trading regulations by the stock exchange (s) or SEBI may affect the ability of Market Maker/ Large Investor to arbitrage resulting into wider premium/ discount to NAV. Any changes in any other regulation relating to import and export of silver or silver jewellery (including customs duty, sales tax and any such other statutory levies) may affect the ability of the scheme to buy/sell silver against the purchase and redemption requests received.
- **Passive Management of Investments:** Scheme shall follow a passive investment strategy. The scheme's performance may be affected by the general price decline in the silver prices. The scheme shall invest

in Silver regardless of their investment merit. The scheme does not aim to take any defensive position in case of falling markets.

- **Active Market:** Although the scheme is proposed to be listed on exchange, there can be no assurance that an active secondary market will be developed or maintained. The AMC and the Trustees will not be liable for delay in trading of Units on Stock Exchange due to the occurrence of any event beyond their control. For an investor in less than creation unit size, exchange quotes may not be always available.
- **Risks associated with handling, storing and safekeeping of physical silver:** There is a risk that part or all of the Scheme's silver could be lost, damaged or stolen. Access to the Scheme's silver could also be restricted by natural events or human actions. Any of these actions may have adverse impact on the operations of the scheme and consequently on investment in units.

**Tracking Error and Tracking Difference:** The Fund Manager may not be able to invest the entire corpus in the same proportion as in the underlying benchmark due to various factors such as fees, expenses of the scheme, corporate action, cash balance, changes in underlying benchmark and regulatory policies which may affect the AMCs/schemes ability to achieve close correlation with the underlying benchmark. Tracking error may be accounted by the various reasons which includes expenses, cash balance to meet redemptions, time to reallocate the portfolio subsequent to changes in the underlying benchmark etc. The Fund Manager will endeavour to keep the tracking error as low as possible.

**“Tracking Error”** i.e. the annualised standard deviation of the difference in daily returns between physical silver and the NAV of Silver ETF based on past one year rolling over data (For ETFs in existence for a period of less than one year, annualized standard deviation shall be calculated based on available data) shall not exceed 2%. The disclosure regarding the same shall be made on daily basis on the website of the AMC and AMFI.

**“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 & Tracking Difference may arise including but not limited to the following reasons: -

- a) Expenditure incurred by the fund.
- b) Available funds may not be invested at all times as the Scheme may keep a portion of the funds in cash to meet Redemptions, for corporate actions or otherwise.
- c) Securities trading may halt temporarily due to circuit filters.
- d) Disinvestments to meet redemptions, recurring expenses, etc.
- e) Execution of large buy / sell orders
- f) Transaction cost (including taxes and insurance premium) and recurring expenses
- g) Realisation of Unit holders' funds
- h) Accounting for indirect taxes including tax reclaims
- i) 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.

There can be no assurance or guarantee that the Scheme will achieve any particular level of tracking error relative to performance of the benchmark.

In case of unavoidable circumstances in the nature of force majeure which are beyond the control of the AMCs, the tracking error may exceed 2%, and the same shall be brought to the notice of the Board of DSP Trustee Private Limited ('Trustees') with the corrective actions taken by the AMC, if any.

- **Redemption Risk:** Investors may note that even though this is an open ended scheme, the Scheme would repurchase units in creation unit size only. Thus, if the unit holding is less than the creation unit size then it can be sold only through the secondary market on the exchange where the units are listed, subject to rules and regulations of the Stock Exchange. The AMC will appoint Market Makers (MMs) to provide liquidity for the units of Silver ETFs in secondary market on an ongoing basis. The Market Maker(s) would offer daily two-way quote (buy and sell quotes) in the market. Further, the price received upon redemption of units may be less than the value of the silver represented by them.

The market price of the ETF unit like any other listed security is largely dependent on two factors viz. the intrinsic value of the unit (or NAV) and demand and supply of the units in the market. Sizeable demand or supply of the units in exchange may lead to market price of the units to quote at premium or discount to NAV. Hence, the units of the scheme may trade above or below the NAV. However, given that the investors can transact with AMC directly beyond the creation unit size of the scheme there should not be a significant variation (large premium or discount) and it may not sustain due to the arbitrage opportunity available.

The silver price reflects the prices of silver at a point in time, which is the price at close of business day. The scheme, however, may trade these securities at different points in time during the trading session and therefore the prices at which the scheme trades may not be identical to the closing price of silver.

- Investments by the Scheme are subject to availability of silver. If favorable investment opportunities do not exist or opportunities have notably diminished, the scheme may suspend accepting fresh subscriptions.
- The Units will be issued only in demat form through depositories. The records of the depository are final with respect to the number of Units available to the credit of Unit holder. Settlement of trades, repurchase of Units by the Mutual Fund during liquidity window depends upon the confirmations to be received from depository(ies) on which the Mutual Fund has no control.
- Conversion of underlying physical silver into the Units of the Scheme may attract capital gain tax depending on acquisition cost and holding period.
- **Currency Risk:** The formula for deriving the NAV of the units of the scheme is based on the imported (landed) value of the silver, which is computed by multiplying international market price by US Dollar value. Hence the value of NAV or silver will depend upon the conversion value and attracts all the risk associated with such conversion.
- **Physical silver:** There is a risk that part or all of the Scheme's silver could be lost, damaged or stolen. Access to the Scheme's silver could also be restricted by natural events or human actions. Any of these actions may have adverse impact on the operations of the scheme and consequently on investment in units.
- **Indirect taxation:** For the valuation of silver by the Scheme, indirect taxes like customs duty, VAT, etc. would also be considered. Hence, any change in the rates of indirect taxation / applicable taxes would affect the valuation of the Scheme.
- During the process of creation or redemption of the Scheme in creation unit size, the AMC will source or sell the physical silver from a counterparty. The price at which the silver is bought or sold at will include a spread also, apart from cost price of the silver, taxes and other transaction cost. Thus cost may vary depending on the source from which silver is bought or sold, due to different cost being charged by the counterparty. This varying buying or selling cost will impact the cost at which units are created for the investor or redeemed for the investor. AMC will most likely be passing on all the cost associated with buying and selling of the physical silver, including spread, transaction cost, taxes etc. on to the investor/investors. This will impact the per unit cost realized by the investor in case of creation or redemption directly with the AMC.
- The AMC within the regulatory guidelines and room given in Scheme information document, may use derivative on silver (like Futures) for rebalancing, holding, creation of fresh units or redemption of existing units for the Scheme. The use of derivatives may affect the performance of the scheme and tracking error. It may also impact the value at units are created or redeemed by the scheme.
- **Counter party Risk:** There is no Exchange for physical silver in India. The Mutual Fund may have to buy or sell silver from the open market, which may lead to counter party risks for the Mutual Fund for trading and settlement.

#### **Risks Related to the Custody of Silver**

The Custodian is responsible for the safekeeping of the silver bullion and also facilitates the transfer of silver bullion into and out of the vault. Although the Custodian is a market maker, clearer and approved weigher under the rules of the LBMA (which sets out good practices for participants in the bullion market), the LBMA is not an official or governmental regulatory body. Accordingly, the ETF is dependent on the Custodian to comply with the best practices of the LBMA and to implement satisfactory internal controls for its silver bullion custody operations in order to keep the silver bullion secure. The Custodian is responsible for loss or damage to the silver only under limited circumstances. The AMC does not insure its silver (Underlying silver of the scheme). The Custodian maintains insurance on such terms and conditions as it considers appropriate in connection with its custodial obligations under the Custodian Agreement and is responsible for all costs, fees and expenses arising from the insurance policy or policies. The AMC is not a beneficiary of any such insurance and does not have the ability to dictate the existence, nature or amount of coverage. Therefore, Shareholders cannot be assured that the Custodian maintains adequate insurance or any insurance with respect to the silver held by the Custodian on behalf of the Trust.

- **Operational Risks:** Silver Exchange Traded Funds are relatively new products and their value could decrease if unanticipated operational or trading problems arise. Silver Exchange Traded Fund, an open ended Exchange Traded Fund, is therefore subject to operational risks. The scheme may not be able to acquire or sell the desired number of units of silver due to conditions prevailing in the market, such as, but not restricted to circuit filters on the silver ETF (if any), liquidity and volatility in silver prices. The units of the scheme will be compulsorily issued in dematerialised form through depositories. The records of the depository are final with respect to the number of Units available to the credit of Unit holder. Settlement of trades, repurchase of Units by the Mutual Fund will depend upon the confirmations to be received from depository (ies) on which the Mutual Fund has no control. Further, Investors may note that buying and selling units on stock exchange requires the investor to engage the services of a broker and are subject to payment of margins as required by the stock exchange/ broker, payment of brokerage, securities transactions tax and such other costs.

The NAV of the units of Silver ETF are determined based on the formula as prescribed by the SEBI, whereas the actual price in the market may be different from the value of silver at based on the prescribed formula. This may lead to a condition where the NAV is too different from the domestic market price of silver. In such cases the trustees reserves the right to delay or suspend the buy/sell transactions.

A day on which valuation on London Bullion Market Association (LBMA) is not available shall not be a Business day and hence NAV for the said day shall not be available to the Investors.

Actual or perceived disruptions in the processes used to determine the LBMA Silver Price, or lack of confidence in that benchmark, may adversely affect the return on your investment in the scheme (if any).

The Trustee, in general interest of the Unit holders of the Scheme offered under this Scheme Information Document and keeping in view of the unforeseen circumstances/ unusual market conditions, may limit the total number of Units, which can be redeemed on any Business Day.

Governments, central banks and related institutions, own a significant portion of the aggregate world silver holdings. If one or more of these institutions decides to sell in amounts large enough to cause a decline in world silver prices, the price of Units of the Scheme will be adversely affected.

If the process of creation and redemption of Baskets encounters any unanticipated difficulties or is materially restricted due to any illiquidity in the market for physical silver, the possibility for arbitrage transactions by Market Makers, intended to keep the price of the ETF units closely linked to the price of silver may not exist and, as a result, the price of the ETF units may fall or otherwise diverge from NAV

- Conversion of underlying physical silver into the Units of the Scheme may attract capital gain tax depending on acquisition cost and holding period.
- **Risk associated with Lending of physical Silver:**

The physical silver lending activity by Scheme will have the inherent probability of collateral value drastically falling in time of strong downward market trends resulting in inadequate value of collateral. It is also possible that the borrowing party and / or the approved intermediary may suddenly suffer severe business setback and become unable to honor its commitments. This along with a simultaneous fall in value of collateral would render potential loss to the Scheme. Also the risk could be in the form of non-availability of ready physical silver for sale, during the period physical silver is lent. Physical silver would be lent if permitted by the concerned regulatory authorities in India.

#### **Risk of Substantial Redemptions in ETFs:**

The Scheme(s) at times may receive large number or large value of direct redemption requests as per the provision of the SID.

The liquidity of underlying investments may be restricted by trading volumes and settlement periods. Settlement periods may be extended significantly by unforeseen circumstances beyond the influence of the AMC. The inability of the Scheme to sell intended securities due to liquidity & settlement problems, could cause delay for processing the large number of direct redemptions. The Trustee, in the general interest of the Unit holders of the Schemes 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.

#### **Risk associated with favorable taxation of certain scheme in India:**

- In any event beyond the control of AMC if the scheme is not able to invest the minimum % of the threshold that it is required to invest in eligible asset classes as per the domestic income tax regulation and rule, the benefit of lower tax, if any, on income distribution or capital gains may not be available to the Unit Holders.
- The summary of tax implications given in the taxation section (Units and Offer Section) is based on the existing provisions of the tax laws. The current taxation laws may change due to change in the domestic Tax Act or any subsequent changes / amendments in Finance Act / Rules / Regulations. Such change may entail a higher tax to the scheme or to the investors by way of any tax as made applicable thus adversely impacting the scheme.
- The investor is requested to consult their tax counsel for detail understanding of the tax laws and the risk factor associated with such tax laws.

#### **Risk Factors associated with investments in passive schemes:**

As the scheme proposes to invest not less than 95% of the net assets in the securities of the benchmark Index, the Scheme will not be actively managed. The Scheme may be affected by a general decline in the Indian markets relating to its Underlying Index. The Scheme invests in the securities included in its underlying index regardless of their investment merit. The AMC does not attempt to individually select stocks or to take defensive positions in declining markets. The value of the Scheme's investments, may be affected generally by factors affecting equity markets, such as price and volume volatility in the capital markets, interest rates, currency exchange rates, changes in policies of the Government, taxation laws or any other appropriate authority policies and other political and economic developments which may have an adverse bearing on individual securities, a specific sector or all sectors. Consequently, the NAV of the Units of the Scheme may fluctuate and can go up or down.

The scheme will be investing only in the securities included in the underlying index and will be exposed to additional concentration risk in cases where the underlying index has concentration towards any specific sector, theme or market capitalization. The AMC will not have any option to reduce the concentration risk by diversifying the investments.

#### **Risks pertaining to transacting in listed units of scheme /ETFs:**

- a) **Absence of Prior Active Market:** Although the Scheme is listed on Stock Exchange, 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.

- b) **Trading in Units may be Halted:** Trading in the Units of the Schemes on Stock Exchange may be halted because of market conditions or for reasons that in view of Stock Exchange or SEBI, trading in the Units of the Schemes 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 Stock Exchange and SEBI circuit filter rules. There can be no assurance that the requirements of Stock Exchange necessary to maintain the listing of the Units of the Schemes will continue to be met or will remain unchanged.
- c) **Units of the Schemes May Trade at Prices Other than NAV:** The Units of the Schemes may trade above or below their NAV. The NAV of the Schemes will fluctuate with changes in the market value of the holdings of the Schemes. The trading prices of the Units of the Schemes will fluctuate in accordance with changes in their NAV as well as market supply and demand for the Units of the Schemes. However, given that Units of the Schemes 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 Schemes will not sustain due to arbitrage opportunity available.
- d) **Other Risk related to listed units:** The units will be issued only in dematerialized form through depositories. The records of the depository are final with respect to the number of units available to the credit of unit holder. Settlement of trades, repurchase of units by the mutual fund during the liquidity window depend upon the confirmations to be received from depository (ies) on which the mutual fund has no control.

Investors may note that the scheme would only repurchase units from the Market Makers & Large Investors in eligible Creation Unit Size. Thus unit holdings less than the eligible Creation Unit Size can only be sold through the secondary market on the exchanges

The trading mechanism introduced by the stock exchange(s) is configured to accept and process transactions for mutual fund units in both Physical and Demat Form. The allotment and/or redemption of Units through NSE and/or BSE or any other recognised stock exchange(s), on any Business Day will depend upon the modalities of processing viz. collection of application form, order processing/settlement, etc. upon which the Fund has no control. However, units of the Scheme can only be subscribed in demat mode. Moreover, transactions conducted through the stock exchange mechanism shall be governed by the operating guidelines and directives issued by respective recognized stock exchange(s).

Any changes in trading regulations by Stock Exchange or SEBI may affect the ability of market maker to arbitrage resulting into wider premium/discount to NAV.

#### **Risk Factors associated with investments in Cash and Cash Equivalents:**

- **Price-Risk or Interest-Rate Risk:** Cash and cash equivalents run price-risk or interest-rate risk. Generally, when interest rates rise, prices of existing securities fall and when interest rates drop, such prices increase. The extent of fall or rise in the prices is a function of the existing coupon, days to maturity and the increase or decrease in the level of interest rates. However, Cash and cash equivalents in this scheme are intended to be held till maturity. For such securities held till maturity, there will not be any interest rate risk at the end of the tenure.
- **Liquidity or Marketability Risk:** This refers to the ease with which a security can be sold at or near to its valuation Yield-to-Maturity (YTM). The primary measure of liquidity risk is the spread between the bid price and the offer price quoted by a dealer.
- **Reinvestment Risk:** Investments in cash and cash equivalents may carry reinvestment risk as interest rates prevailing on the interest or maturity due dates may differ from the original coupon of the bond. Consequently, the proceeds may get invested at a lower rate.
- **Pre-payment Risk:** Certain cash and cash equivalents give an issuer the right to call back its securities before their maturity date, in periods of declining interest rates. The possibility of such prepayment may force the fund to reinvest the proceeds of such investments in securities offering lower yields, resulting in lower interest income for the fund.



### **Risk factors associated with investment in Tri-Party Repo:**

The mutual fund is a member of securities segment and Triparty Repo trade settlement of the Clearing Corporation of India (CCIL). All transactions of the mutual fund in government securities and in Tri-party Repo trades are settled centrally through the infrastructure and settlement systems provided by CCIL; thus reducing the settlement and counterparty risks considerably for transactions in the said segments. The members are required to contribute an amount as communicated by CCIL from time to time to the default fund maintained by CCIL as a part of the default waterfall (a loss mitigating measure of CCIL in case of default by any member in settling transactions routed through CCIL). As per the waterfall mechanism, after the defaulter's margins and the defaulter's contribution to the default fund have been appropriated, CCIL's contribution is used to meet the losses. Post utilization of CCIL's contribution if there is a residual loss, it is appropriated from the default fund contributions of the non-defaulting members. Thus the scheme is subject to risk of the initial margin and default fund contribution being invoked in the event of failure of any settlement obligations. In addition, the fund contribution is allowed to be used to meet the residual loss in case of default by the other clearing member (the defaulting member). CCIL shall maintain two separate Default Funds in respect of its Securities Segment, one with a view to meet losses arising out of any default by its members from outright and repo trades and the other for meeting losses arising out of any default by its members from Triparty Repo trades. The mutual fund is exposed to the extent of its contribution to the default fund of CCIL, in the event that the contribution of the mutual fund is called upon to absorb settlement/ default losses of another member by CCIL, as a result the scheme may lose an amount equivalent to its contribution to the default fund

### **Risk Factors Associated with Investments in Exchange Traded Commodity Derivatives (ETCD) of various commodities:**

The Scheme may invest in commodities markets as permitted under various regulations and may therefore have investment exposure to the commodities markets and one or more sectors of the commodities markets, which may subject the Scheme to greater volatility than investments in traditional securities, such as stocks and bonds. Volatility in the commodities markets may be caused by changes in overall market movements, domestic and foreign political and economic events and policies, war, acts of terrorism, changes in domestic or foreign interest rates and/or investor expectations concerning interest rates, domestic and foreign inflation rates, investment and trading activities of mutual funds, hedge funds and commodities funds, and factors such as drought, floods, weather, livestock disease, embargoes, tariffs and other regulatory developments, or supply and demand disruptions. Because the Scheme's performance is linked to the performance of volatile commodities, investors should be willing to assume the risks of potentially significant fluctuations in the value of the Scheme's shares.

Derivative products are leveraged instruments and can provide disproportionate gains as well as disproportionate losses to the investor. Execution of investment strategies depends upon the ability of the fund manager(s) to identify such opportunities which may always not be available. Identification and execution of the strategies to be pursued by the fund manager(s) involve uncertainty and decision of fund manager(s) may not always be profitable. No assurance can be given that the fund manager(s) will be able to identify or execute such strategies.

The AMC within the regulatory guidelines and room given in Scheme information document, may use derivative on commodities (like Futures and Options). The use of derivatives may affect the performance of the scheme

Systemic risks which may be witnessed while trading in Indian Commodities Market are Liquidity risk, Price risk in terms of volatility, Exchange Risk and counterparty risks.

- i. **Liquidity Risk:** While ETCDs that are listed on an exchange carry lower liquidity risk, the ability to sell these contracts is limited by the overall trading volume on the exchanges. The liquidity of the Schemes' investments is inherently restricted by trading volumes of the ETCD contracts in which it invests. Additionally, change in margin requirements or intervention by government agencies to reduce overall volatility in the underlying commodity could lead to adverse impact on the liquidity of the ETCD.
- ii. **Price risk:** ETCDs are leveraged instruments hence, a small price movement in the underlying security could have a large impact on their value. Also, the market for ETCDs is nascent in India hence, arbitrages can occur between the price of the physical commodity and the ETCD, due to a variety of reasons such as technical issues and volatile movement in the price of the physical good. This can result

in mispricing and improper valuation of investment decisions as it can be difficult to ascertain the amount of the arbitrage.

- iii. **Settlement risk:** ETCDs can be settled either through the exchange or physically. The inability to sell ETCDs held in the Schemes' portfolio in the exchanges due to the extraneous factors may impact liquidity and would result in losses, at times, in case of adverse price movement. Wherein the underlying commodity is physically delivered in order to settle the derivative contract, such settlement could get impacted due to various issues, such as logistics, Government policy for trading in such commodities.
- iv. If the Commodities futures position passes its last square off date or the 'Intention' is missed to be provided before the Delivery Intention period, the buyer or the seller will be allocated delivery of the commodity. Thus, there emerges a risk of holding goods in physical form at the warehouses. Though the commodity is inclusive of insurance cost, there is a small deductible in each claim which is not payable by the Insurance company.

## **RISK MITIGATION STRATEGIES**

### **Risk associated with Cash and Cash Equivalents:**

The scheme will invest in securities as per the intended allocation and thus this risk are low as compared to other risk mentioned above. The AMC will endeavor to minimize the Liquidity Risk, Interest Rate Risk, Reinvestment Risk.

### **Risks associated with Silver:**

**Price risk:** The investments will follow the underlying price of Silver and therefore the level of portfolio volatility would be same as that of the underlying Silver price. The investment managers will ensure that the portfolio allocation to the securities is as per the allocation allowed by the scheme document.

**Liquidity risk:** Silver is a globally traded commodity and thereby liquid. There are also designated Authorized Participants who facilitate liquidity on the exchange

**Event risk/Custody Risk:** There is a risk that part or all of the physical Silver belonging to the Scheme could be lost, damaged or stolen. In order to ensure safety, the said Silver will be stored with custodian in its vaults. Silver held by custodian is also insured. The custodian will insure/cover all such risks.

**Tracking error & Tracing Difference Risk:** While the objective of the Scheme is to closely track the price of Physical Silver, the performance may not be commensurate with the Price of Silver on any given day or over any given period. Such variations are commonly referred and measure as the tracking error or tracking difference. Tracking errors or Tracking difference may cause the scheme to generate returns which are not in line with the performance of the underlying benchmark and may arise from a variety of factors including but not limited to:

- a. Expenditure incurred by the fund.
  - b. Available funds may not be invested at all times as the Scheme may keep a portion of the funds in cash to meet Redemptions, for corporate actions or otherwise.
  - c. Securities trading may halt temporarily due to circuit filters.
  - d. Disinvestments to meet redemptions, recurring expenses, etc.
  - e. Execution of large buy / sell orders
  - f. Transaction cost (including taxes and insurance premium) and recurring expenses
  - g. Realisation of Unit holders' funds
  - h. Accounting for indirect taxes including tax reclaims
  - i. SEBI Regulations (if any) may impose restrictions on the investment and/or disinvestment activities of the Scheme. Such restrictions are typically outside the control of the AMC and may cause or exacerbate the Tracking Error.
- AMC would monitor the tracking error or Tracking difference of the Scheme on an ongoing basis and would seek to minimize tracking error to the maximum extent possible and within the permissible limits. However, this may vary due to the reasons mentioned above or any other reasons that may arise and

particularly when the markets are very volatile. However, there can be no assurance or guarantee that the Scheme will achieve any particular level of tracking error or tracking difference relative to performance of the Underlying benchmark.

#### **VII. Index methodology/ Details of underlying fund in case of Fund of Funds**

- **Disclosure regarding the Index, Index methodology/ Details of underlying fund in case of Fund of Funds**

Not applicable

- **Details of Benchmark, Investment Objective, Investment Strategy, TER,AUM, Year wise performance, Top 10 holding/link to top 10 holding of the underlying fund**

Not applicable

#### **VIII. List of official points of acceptance**

Website Link- <https://www.dspim.com/mandatory-disclosures/disclosures-under-offer-documents/list-of-investor-service-centers-iscs-official-points-of-official-points-of-acceptance-collecting-banker-details>

#### **IX. 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**

Investors are requested to refer AMC website. (Link- <https://www.dspim.com/mandatory-disclosures/disclosures-under-offer-documents/penalties-pending-litigation-or-proceedings-findings-of-inspections-or-investigations>).

#### **X. Investor services**

Contact details for general service requests:

Investors may contact any of the AMC's Investor Service Centers or call on Toll Free number 1800-208-4499 or 1800-200-4499 for any queries.

E-mail: [service@dspim.com](mailto:service@dspim.com)

Contact details for complaint resolution:

**Mr. Santosh Pandey**

**Investor Relations Officer**

DSP Asset Managers Private Limited, The Ruby, 25th Floor, 29, Senapati Bapat Marg, Dadar (West), Mumbai - 400028, Tel.: +91 22 6657 8000

**Stock Exchange Transactions:** For grievances related to stock exchange transactions, contact either the stockbroker or the investor grievances cell of the respective stock exchange.

#### **XI. Portfolio Disclosure**

**Monthly Portfolio:** The monthly portfolio of the Scheme shall be available in a user-friendly and downloadable format on the website viz. [www.dspim.com](http://www.dspim.com) on or before the tenth day of succeeding month. In case of unit holders whose email addresses are registered with the Fund, the AMC shall send monthly portfolio via email within 10 days from the end of each month.

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.

**Half yearly Portfolio:** 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 Scheme shall also be available in a user-friendly and downloadable spreadsheet format on the AMFI's website and website of AMC on or before the 10th day of succeeding month.

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.

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.

Refer to AMC website (link- <https://www.dspim.com/mandatory-disclosures/portfolio-disclosures>)

AMFI website (link- <https://www.amfiindia.com/online-center/portfolio-disclosure>) for further details.

### Portfolio Turnover Policy

Portfolio Turnover measures the volume of trading that occurs in a Scheme's portfolio (silver and silver related instruments) during a given time period. The Scheme is an open-ended Exchange Traded Fund and it is expected that there may be a number of subscriptions and repurchases on a daily basis through Stock Exchange(s) or Market Makers and Large Investors. 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. However, it will be the endeavor of the Fund Manager to maintain an optimal portfolio turnover rate commensurate with the investment objective of the Scheme and the purchase/ redemption transactions on an ongoing basis in the Scheme.

**Portfolio Turnover Rate- Nil**

## XII. Detailed comparative table of the existing schemes of AMC

List of existing ETFs:

1. DSP NIFTY 1D Rate Liquid ETF
2. DSP Nifty 50 Equal Weight ETF
3. DSP Nifty Midcap 150 Quality 50 ETF
4. DSP Nifty IT ETF
5. DSP Gold ETF
6. DSP Nifty Bank ETF
7. DSP Nifty 50 ETF
8. DSP Nifty PSU Bank ETF
9. DSP Nifty Private Bank ETF
10. DSP BSE Sensex ETF
11. DSP Nifty Healthcare ETF
12. DSP BSE Liquid Rate ETF
13. DSP Nifty Top 10 Equal Weight ETF
14. DSP BSE Sensex Next 30 ETF
15. DSP Nifty500 Flexicap Quality 30 ETF
16. DSP MSCI India ETF

For further details please refer our website: (website link -<https://www.dspim.com/mandatory-disclosures/disclosures-under-offer-documents/scheme-comparison>)

## XIII. Scheme performance

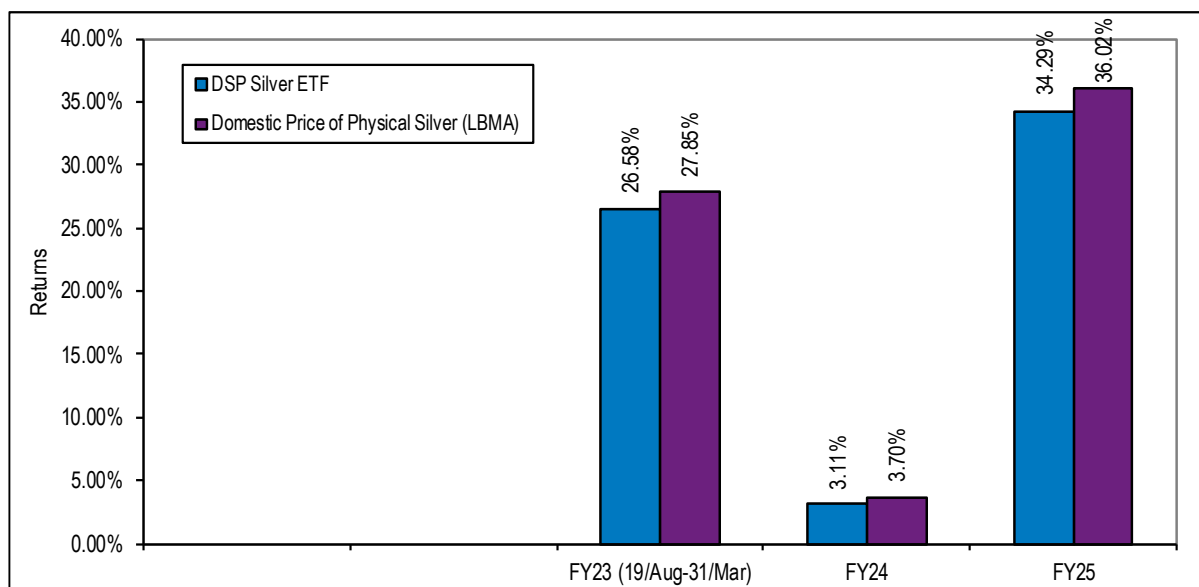
a. Compounded Annualised Returns as of September 30, 2025

Period	DSP Silver ETF	Domestic Price of Physical Silver (LBMA)
Last 1 Year	56.17%	58.50%

Last 3 Year	34.40%	36.08%
Last 5 Year	--	--
Since Inception	33.24%	34.87%
Nav/ Index value	137.0412	1,41,918.00
Date of allotment	19-Aug-22	

**Past performance may or may not be sustained in future and should not be used as a basis for comparison with other investments. All benchmark returns are computed basis on Total Return Index.**

**b. Absolute Returns**



Returns are computed from the Date of Allotment/1st April, as the case may be, to 31st March of the respective financial year.

#### **XIV. Periodic Disclosures**

##### **A. Portfolio Disclosure**

**Monthly Portfolio:** The monthly portfolio of the Scheme shall be available in a user-friendly and downloadable format on the website viz. [www.dspim.com](http://www.dspim.com) on or before the tenth day of succeeding month. In case of unit holders whose email addresses are registered with the Fund, the AMC shall send monthly portfolio via email within 10 days from the end of each month.

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.

**Half yearly Portfolio:** 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 Scheme shall also be available in a user-friendly and downloadable spreadsheet format on the AMFI's website and website of AMC on or before the 10th day of succeeding month.

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.

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.

Refer to AMC website (link- <https://www.dspim.com/mandatory-disclosures/portfolio-disclosures>)

AMFI website (link- <https://www.amfiindia.com/online-center/portfolio-disclosure>) for further details.

## B. Annual Report

Annual report or Abridged Summary, in the format prescribed by SEBI, will be hosted on AMC's website [www.dspim.com](http://www.dspim.com) and on the website of AMFI [www.amfiindia.com](http://www.amfiindia.com). Annual Report or Abridged Summary will also be sent by way of e-mail to the investors 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.

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.

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. [www.dspim.com](http://www.dspim.com)

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.

Investors are requested to register their e-mail addresses with Mutual Fund.

Refer to AMC website (link- <https://www.dspim.com/mandatory-disclosures/annual-reports>),

AMFI website (link- <https://www.amfiindia.com/otherdata/accounts>) for further details.

## C. Risk-o-meter

In accordance with SEBI circular no. SEBI/HO/IMD/PoD1/CIR/P/2024/150 dated November 05, 2024, in addition to the existing labels relating to levels of risk i.e. Low, Low to Moderate, Moderate, Moderately High, High and Very High, the Risk-o-meter shall also be depicted using a colour scheme.

In accordance with clause 5.16.1 of the SEBI Master Circular, AMC, based on internal assessment, shall disclose the following in all disclosures, including promotional material or that stipulated by SEBI:

- a. risk-o-meter of the scheme wherever the performance of the scheme is disclosed.
- b. risk-o-meter of the scheme and benchmark wherever the performance of the scheme vis-à-vis that of the benchmark is disclosed.

The portfolio disclosure shall also include the scheme risk-o-meter, name of benchmark and risk-o-meter of benchmark.

Further, as per Clause 17.4.1.i and 17.4.1.j of the Master Circular No. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2023/74 dated June 27, 2024, 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)

For AMC Refer Link - <https://www.dspim.com/mandatory-disclosures/portfolio-disclosures> (For AMFI- refer link- <https://www.amfiindia.com/online-center/risk-o-meter>

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

(For AMC refer link- <https://www.dspim.com/mandatory-disclosures/annual-risk-o-meter-disclosure>) (for AMFI - refer Link <https://www.amfiindia.com/online-center/risk-o-meter>)

Investors may please note that the Risk-o-meter disclosed is basis internal assessment of the scheme portfolio as on the date of disclosure.

Any change in risk-o-meter of the Scheme or its benchmark shall be communicated by way of Notice cum Addendum and by way of an e-mail or SMS to unitholders of that particular scheme

## D. Monthly Dashboard

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.

Refer to AMC website (link- <https://www.dspim.com/mandatory-disclosures/dashboard>) for further details.

#### **E. Tracking Error & Tracking Difference**

**Tracking Error:** 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. [www.dspim.com](http://www.dspim.com) and AMFI.

**Tracking Difference:** Tracking Difference 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.

Refer to AMC website (link- <https://www.dspim.com/invest/mutual-fund-schemes/exchange-traded-funds/silver-etf/dslvr-direct-growth>),

AMFI website (link- [https://www.amfiindia.com/research-information/other-data/tracking\\_errordata](https://www.amfiindia.com/research-information/other-data/tracking_errordata)) for further details.

#### **F. Issuer/Group/Sector Disclosure**

The Scheme shall disclose the following on monthly basis:

- i. Name and exposure to top 7 issuers and stocks respectively as a percentage of NAV of the scheme
- ii. Name and exposure to top 7 groups as a percentage of NAV of the scheme.
- iii. Name and exposure to top 4 sectors as a percentage of NAV of the scheme.

Any change in constituents of the index, if any, shall be disclosed on the AMC website i.e. [www.dspim.com](http://www.dspim.com) on the day of change.

Refer to AMC website- <https://www.dspim.com/invest/mutual-fund-schemes/exchange-traded-funds/silver-etf/dslvr-direct-growth> for further details.

#### **G. Scheme Summary Document**

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).

Website link- <https://www.dspim.com/mandatory-disclosures/scheme-summary-document>

AMFI link - <https://www.amfiindia.com/otherdata/fund-performance>

#### **H. Constituents and Methodology of the Index**

Not applicable.

#### **I. Special Considerations**

Investor are requested to read special consideration section in SAI.

#### **J. Performance disclosure**

In accordance with clause 5.9 of the SEBI Master, the AMC shall disclose the performance of all schemes on the website of AMFI on a daily basis. The disclosure shall include other scheme AUM and previous day NAV.

Refer to AMFI website (link- <https://www.amfiindia.com/otherdata/fund-performance>) for further details.

#### **K. NAV disclosure**

The first NAV will be calculated and declared within 5 Business days from the date of allotment. The NAVs of the Scheme/plans will be calculated by the Mutual Fund on each Business Day and will be made available by 9.00 a.m. on the following Business Day.

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 'Restriction on redemption of units' in the SAI.

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.

#### **Indicative NAV (iNAV):**

The AMC shall also calculate indicative NAV and will be updated during the market hours on its website [www.dspim.com](http://www.dspim.com). Indicative NAV will not have any bearing on the creation or redemption of units directly with the Fund by the Market Makers /Large Investors.

Indicative NAV (iNAV) shall be disclosed on Stock exchange(s), where the units will be listed, on continuous basis during the trading hours.

iNAV disclosed for the Scheme may either be static or dynamic depending upon the availability of the underlying price.

In case of unit holders whose email addresses are registered, the AMC shall send monthly/half yearly portfolio via email within 10 days from the end of each month/ half year. The monthly/half yearly portfolio of the Scheme shall be available in a user-friendly and downloadable spreadsheet format on the AMFI's website [www.amfiindia.com](http://www.amfiindia.com) and website of the AMC viz. [www.dspim.com](http://www.dspim.com) on or before the 10th day of succeeding month.

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 advertisement shall be published in the all India edition of at least two daily newspapers, one each in English and Hindi.

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.

Refer relevant disclosures mentioned in the Statement of Additional Information ('SAI') available on the AMC's website. i.e. [www.dspim.com](http://www.dspim.com).

#### **L. Scheme's portfolio holdings (top 10 holdings by issuer and fund allocation towards various sectors) -**

<https://www.dspim.com/mandatory-disclosures/top-10-issuer-and-sector-allocation>

#### **M. Disclosure of name and exposure to Top 7 issuers, stocks, groups and sectors as a percentage of NAV of the scheme-**

Website Link - <https://www.dspim.com/invest/mutual-fund-schemes/exchange-traded-funds/silver-etf/dslvr-direct-growth>



## **XV. Investment Strategies**

The Scheme will track its Underlying Index and will use a “passive” approach to endeavor to achieve scheme’s investment objective. The AMC does not make any judgments about the investment merit of underlying assets nor will it attempt to apply any economic, financial or market analysis. Since the scheme is an exchange traded fund, the scheme will only invest in silver & silver related securities constituting the underlying index.

Since the scheme is an exchange traded fund, it will endeavor that at no point of time the scheme will deviate from the index.

### **Investment in Derivatives instruments**

#### **Exchange Traded Commodity Derivatives (ETCDs):**

The scheme may participate in Exchange Traded Commodity Derivatives (“ETCDs”) with silver as underlying up to 10% of the net asset value of the Scheme. However, the limit of 10% shall not be applicable to Silver ETFs where the intention is to take delivery of the physical silver and not to roll over its position to next contract cycle.

Derivative products are leveraged instruments and can provide disproportionate gains as well as disproportionate losses to the investor. Execution of such strategies depends upon the ability of the fund manager to identify such opportunities. Identification and execution of the strategies to be pursued by the fund manager involve uncertainty and decision of fund manager may not always be profitable. No assurance can be given that the fund manager will be able to identify or execute such strategies.

The risks associated with the use of derivatives are different from or possibly greater than, the risks associated with investing directly in securities and other traditional investments.

For detailed derivative strategies, please refer to SAI.

## **XVI. Where shall Scheme invest**

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

1. In Silver and Silver-related instrument(s) as notified by SEBI from time to time.
2. Repos & Reverse 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.
3. TREPS - TREPs is a money market instrument that enables entities to borrow and lend against sovereign collateral security. The maturity ranges from 1 day to 90 days and can also be made available upto 1 year. Central Government securities including T-bills are eligible securities that can be used as collateral for borrowing through TREPs.
4. Treasury Bills - Treasury bills (T-bills) are short-term government securities issued at a discount to their face value and mature within one year. They do not pay periodic interest but provide returns by maturing at their full face value, with the difference between the purchase price and the maturity value representing the investor's earnings. T-bills are considered low-risk investments due to government backing.
5. Government Securities - 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.
6. Exchange Traded Commodity Derivatives (ETCDs) - Exchange-Traded Currency Derivatives (ETCDs) are financial instruments traded on regulated exchanges that derive their value from underlying commodities. ETCDs provide a transparent, standardized, and regulated way to gain exposure to commodities, with benefits like reduced counterparty risk and increased liquidity compared to over-the-counter (OTC) derivatives.
7. Investment in Short Term Deposits - Pending deployment of funds as per the investment objective of the Scheme, the Funds may be parked in short term deposits of the Scheduled Commercial Banks, subject to guidelines and limits specified by SEBI.

**Applicable guidelines/other details where the scheme will invest:**

### **Investment in Short-Term Deposits-**

Pending deployment of funds of the Scheme, the AMC may invest funds of the Scheme in short-term deposits of scheduled commercial banks, subject to the following conditions issued by clause 12.16 of SEBI Master Circular

- i. "Short Term" for parking of funds shall be treated as a period not exceeding 91 days.
- ii. Such short-term deposits shall be held in the name of the Scheme.
- iii. The Scheme shall not park more than 15% of their net assets in the short term deposit(s) of all the scheduled commercial banks put together. However, it may be raised to 20% with the prior approval of the Trustee. Also, parking of funds in short term deposits of associate and sponsor scheduled commercial banks together shall not exceed 20% of total deployment by the Mutual Fund in short term deposits.
- iv. The Scheme shall not park more than 10% of their net assets in short term deposit(s) with any one scheduled commercial bank including its subsidiaries.
- v. The Trustee shall ensure that the funds of the Scheme are not parked in the short term deposits of a bank which has invested in the Scheme.
- vi. The Trustee shall also ensure that the bank in which a scheme has short term deposits do not invest in the scheme until the scheme has short term deposits with such bank.
- vii. AMC will not charge any investment management and advisory fees for parking of funds in short term deposits of scheduled commercial banks.

The above provisions do not apply to term deposits placed as margins for trading in cash and derivative market.

### **Exchange Traded Commodity Derivatives (ETCDs):**

The scheme may participate in Exchange Traded Commodity Derivatives ("ETCDs") with silver as underlying up to 10% of the net asset value of the Scheme. However, the limit of 10% shall not be applicable to Silver ETFs where the intention is to take delivery of the physical silver and not to roll over its position to next contract cycle.

The Commodity derivatives are instruments designed to give exposure to the commodity market. Multi Commodity Exchange provides derivatives for bullion, base metals, energy, agri commodities etc. These contracts have varied maturities. The pricing of a commodity derivative is the function of the underlying commodity.

### **Illustration on Exchange Traded Commodity Derivatives (ETCDs):**

#### **1) Commodity Futures**

Trade date	30-Oct
Expiry	04-Mar
Current market price/ 1kg	₹ 62,000
Lot size in kg	30 kg
Lot value / contract value	₹ 18,60,000
Margin	10%
Margin Value	₹ 1,86,000
Trade / position	Buy Commodity
Quantity	1 lot
Buy price per 1 kg	₹ 62,000
Sell trade date	30-Nov
Sell price per 1 kg	₹ 70,000
Gain/Loss per 1 kg	₹ 8,000
Gain/ Loss per Lot or contract value	₹ 2,40,000

#### **2) Commodity Options**

Trade date	30-Oct
------------	--------

Expiry	23-Feb
Corresponding futures contract	04-Mar
Current future price/ 1kg	₹ 62,000
Strike Price	₹ 62,000
Call option premium per / 1 kg	₹ 3,000
Trade / position	Buy strike 62,000 CE
Lot size in kg	30 kg
Buy price per 1 kg	₹ 3,000
Sell trade date	20-Jan
Futures price on 20-Jan per 1 kg	₹ 68,000
62000 strike CE price on 20-Jan per 1 kg	₹ 8,000
Gain/Loss per 1 kg	₹ 5,000
Gain/ Loss per Lot or contract value	₹ 1,50,000

For information on 'numerical example of risk involved' refer SID.

#### XVII. Who manages the Scheme

Fund Manager	Age	Tenure	Qualifications	Brief Experience	Other managed Scheme
Mr. Ravi Gehani	35 years	3 Years 3 months  (Managing from August 2022)	MMS - Finance, MET Institute of Management, Mumbai B.Com, University of Mumbai, Mumbai	Over 10 years of experience as under: Apr-2022 - Present, Manager, DSP Mutual Fund. March 2017 - Apr 2022 - Assistant Manager, Muthoot Exim Pvt Ltd. Handled various roles in Bullion Price Risk, Products and Operations. April 2015- January 2016- Analyst, Investor Relations- S-Ancial Global Solutions Pvt Ltd. March 2013 - August 2014- Trader, Commodities- Latin Manharlal Commodities Pvt Ltd. Worked as commodities trader.	DSP Gold ETF, DSP Multi Asset Allocation Fund

#### XVIII. Fundamental Attributes

Following are the Fundamental Attributes of the Scheme, in terms of clause 1.14 of SEBI Master Circular:

- (i) Type of Scheme: An open ended scheme replicating/ tracking domestic prices of silver
- (ii) Investment Objective:
  - a) Main Objective - Please refer "Highlights/Summary of the Scheme"
  - b) Investment pattern - Please refer "How will the Scheme allocate its assets?"
- (iii) Terms of Issue:

- a) Liquidity provisions such as listing, repurchase, redemption. Please refer, “Highlights/Summary of the Scheme”
- b) Aggregate fees and expenses charged to the Scheme. Please refer, “Annual Scheme Recurring Expenses.”
- c) Any safety net or guarantee provided - Not applicable.

In accordance with Regulation 18(15A) read with 25(26) of the SEBI (MF) Regulations and clause 1.14.1.4 of SEBI Master Circular, 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:

- SEBI has reviewed and provided its comments on the proposal;
- 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 at least 30 calendar days to exit at the prevailing Net Asset Value without any exit load.

#### **XIX. Scheme specific disclosures**

Please refer Annexure below on ‘Scheme specific disclosures’

#### **XX. Scheme factsheet**

Link: [https://www.dspim.com/downloads?category=Information%20Documents&sub\\_category=Factsheets](https://www.dspim.com/downloads?category=Information%20Documents&sub_category=Factsheets)

#### **XXI. 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, asset allocation and where will the Scheme invest, described earlier, as well as the SEBI (MF) Regulations, including Schedule VII thereof, as amended from time to time.

- The corpus of the Scheme shall be invested only in silver or silver related instruments in accordance with its investment objective, except to the extent necessary to meet the liquidity requirements for honoring repurchases or redemptions, as disclosed in this Scheme Information Document
- The Mutual Fund shall buy and sell physical silver/securities on the basis of deliveries and shall in all cases of purchases, take delivery of relevant securities/ silver and in all cases of sale, deliver the securities/ silver.  
Provided that, the Mutual fund may enter into derivatives transactions in a recognized stock exchange, subject to the framework specified by SEBI.  
Provided further that sale of government security already contracted for purchase shall be permitted in accordance with the guidelines issued by the Reserve Bank of India in this regard.
- Participation of mutual funds in ETCDs shall be subject to the following:
  1. The Fund may participate in ETCDs in India, except in commodity derivatives on ‘Sensitive Commodities’
  2. ETCDs having Silver as the underlying, shall also be considered as ‘silver related instrument’ for Silver Exchange Traded Funds (Silver ETFs).
  3. The Scheme shall not invest in physical goods except in ‘silver through Silver ETFs. However, as the Scheme participating in ETCDs may hold the underlying goods in case of physical settlement of contracts, in that case the Fund shall dispose of such goods from the books of the Scheme, at the earliest, not exceeding the timeline prescribed below:
    - a) For Silver and Silver related Instruments: - 180 days from the date of holding of physical goods.

4. The scheme may participate in the ETCDs as 'client' and shall be subject to all the rules, regulations and instructions, position limit norms, etc. as may be applicable to clients, issued by SEBI and Exchanges from time to time. The position limits at mutual fund level be as applicable to 'Trading Members'.
5. The cumulative gross exposure through Physical silver and Silver related Instrument, Cash and Cash Equivalent, Exchange Traded Commodity Derivatives and such other securities/assets as may be permitted by the SEBI from time to time subject to regulatory approvals, if any should shall not exceed 100% of the net assets of the scheme.
6. The Scheme shall not have net short positions in ETCDs on any particular good, considering its positions in physical goods as well as ETCDs, at any point of time.
7. The AMC shall not onboard Foreign Portfolio Investors (FPIs) in the Scheme investing in ETCDs until FPIs are permitted to participate in ETCDs.
  - Save as otherwise expressly provided under SEBI (MF) Regulations, the Mutual Fund shall not advance any loans for any purpose.
  - The Scheme shall not invest in a fund of funds scheme.
  - The scheme shall not invest in Credit Default Swaps.
  - The Scheme shall not invest in foreign securities.
  - The Scheme shall not invest in Securitised Debt.
  - The Scheme shall not engage in short selling.
  - The Scheme shall not engage in Repo Transactions in Corporate Debt Securities
  - The Scheme will comply with any other regulations applicable to the investments of mutual funds from time to time.
  - Pursuant to Regulation 44(6) of SEBI (MF) Regulations, 1996, silver exchange traded fund scheme shall be subject to the following investment restrictions:
    - (a) the funds of any such scheme shall be invested only in silver or silver related instruments in accordance with its investment objective, except to the extent necessary to meet the liquidity requirements for honouring repurchases or redemptions, as disclosed in the offer document; and
    - (b) pending deployment of funds in accordance with clause (a), the mutual fund may invest such funds in short-term deposits of scheduled commercial banks.
8. As per clause 3.3.2.3 & 3.3.2.4 of SEBI Master Circular, Investment in ETCDs having silver as the underlying by Silver ETFs will be subject to following conditions:
  - The exposure to ETCDs having silver as the underlying shall not exceed 10% of net asset value of the scheme. However, the above limit of 10% shall not be applicable to Silver ETFs where the intention is to take delivery of the physical silver and not to roll over its position to next contract cycle.
  - The cumulative gross exposure of Silver ETFs shall not exceed 100% of the net assets of the scheme
  - Before investing in ETCDs having silver as the underlying, mutual funds shall put in place a written policy with regard to such investment with due approval from the Board of the AMC and the Trustees. The policy shall be reviewed by the Board of AMC and Trustees at least once a year

The physical silver shall be of standard 30 kg bars with fineness of 999 parts per thousand (or 99.9% purity) confirming to London Bullion Market Association (LBMA) Good Delivery Standards.

Apart from the Investment Restrictions prescribed under the SEBI (MF) Regulations, internal risk parameters for limiting exposure to a particular Scheme may be prescribed from time to time to respond to the dynamic market conditions and market opportunities.

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

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

## **Scheme specific disclosures**

### **A. Portfolio rebalancing**

#### **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

For detailed disclosure refer SAI.

### **B. Disclosure w.r.t investments by key personnel and AMC directors including regulatory provisions**

Aggregate investment in the Scheme by: (Details are as on September 30, 2025)

Sr. No.	Category of Persons	Net Value		Market Value (in Rs.)
		Units	NAV per unit	
1.	Concerned scheme's Fund Manager(s) Ravi Gehani	-	-	-

For any other disclosure w.r.t investments by key personnel and AMC directors, including regulatory provisions in this regard kindly refer SAI.

### **C. Investments of AMC in the Scheme**

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.

### **D. Taxation**

The information provided is as per the provisions of the Income-tax Act, 1961 ("the Act"), as amended by the Finance Act, 2025. The information is provided for general information only. It does not purport to be a complete analysis of all relevant tax considerations; nor does it purport to be a complete description of all potential tax costs, tax incidence and risks for the investors. 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. It is assumed that units of mutual fund are held as capital asset by the investors.

#### **\$Non Equity Oriented Funds (other than Specified Mutual Funds)**

Particulars	Resident Investors		NRI/PIOs & Other Non- resident Investors other than FPI		FPI Investors		Mutual Fund
	Tax Rates	TDS Rates	Tax Rates	TDS Rates	Tax Rates	TDS Rates	Tax / TDS Rates

Tax on Income Distributed by Mutual Funds	Taxable at normal rates of tax applicable to the assessee	10% (under section 194K)	i. In respect of non-resident non-corporate Taxable at normal rates of tax applicable to the assessee (other than units purchased in foreign currency)  ii. In respect of non-resident (not being company) or foreign corporates -20% (for units purchased in foreign currency)	20% (u/s 196A) or as per applicable DTAA whichever is lower	20% (u/s 115AD)	20% (u/s 196D) or as per applicable DTAA whichever is lower	NIL (u/s 10(23D))
Capital Gains							
Long Term:							
Listed units of a non-equity oriented Scheme (other than Specified Mutual Funds)	12.5% (u/s 112)	NIL	12.5% (u/s 112)	12.5% (u/s 195)	12.5% without exchange fluctuation (u/s 115AD)	NIL	NIL (u/s 10(23D))
Unlisted units of a non-equity oriented Scheme (other than Specified Mutual Funds)	12.5% (u/s 112)	NIL	12.5% without exchange fluctuation (u/s 112)	12.5% without exchange fluctuation (u/s 195)	12.5% without exchange fluctuation (u/s 115AD)	NIL	NIL (u/s 10(23D))
Short Term:							
Units of a non-equity oriented Scheme (other than Specified Mutual Funds)	Taxable at normal rates of tax applicable to the assessee	NIL	In respect of non-resident non-corporate Taxable at normal rates of tax applicable to the assessee.  In respect of non-resident corporates: 35%	In respect of non-resident non corporates - 30%  In respect of non-resident corporate s(u/s 195): 35%	30% (u/s 115AD)	NIL	NIL (u/s 10(23D))

\$Non Equity oriented funds are funds other than Equity oriented funds and Specified Mutual Funds:

“equity oriented fund” has been defined to mean a fund set up under a scheme of a mutual fund specified under section 10(23D) of the Act and—

- a). In a case where the fund invests in the units of another fund which is traded on a recognized stock exchange- (I) a minimum of 90 per cent. of the total proceeds of such fund is invested in the units of such other fund; and (II) such other fund also invests a minimum of 90 per cent of its total proceeds in the equity shares of domestic companies listed on recognized stock exchange; and

- b). in any other case, a minimum of 65 per cent of the total proceeds of such fund is invested in the equity shares of domestic companies listed on recognized stock exchange.

"Specified Mutual Fund" means, (a) a Mutual Fund by whatever name called, which invests more than sixty-five per cent of its total proceeds in debt and money market instruments; or (b) a fund which invests sixty-five per cent or more of its total proceeds in units of a fund referred to in sub-clause(a).

**Additional Notes:**

1. Income of Mutual Fund is exempt from tax as per section 10(23D) of the Act.
2. Based on the investment objectives of the scheme as defined in this document, the scheme will potentially be classified as "Non Equity oriented Fund (other than Specified Mutual Fund)" for the purpose of taxation. Accordingly, the applicable rates have been covered above.
3. These rates should also be applicable to units acquired 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)
4. Capital gains on redemption of listed units held for a period of more than 12 months from the date of allotment & capital gains on redemption of unlisted units held for a period of more than 24 months from the date of allotment shall be treated as Long Term Capital Gains.
5. The above rates are subject to surcharge as applicable (refer table below for rates) and Health and Education cess at the rate of 4% on income tax and surcharge.

Particulars	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)
Resident and Non Resident Individuals / HUFs / BOIs / AOPs and Artificial juridical persons - Long Term Capital Gains	10%	15%	15%	15%	15%
Non Resident Individuals / HUFs / BOIs / AOPs and Artificial juridical persons - Short Term Capital Gains and Income Distribution	10%	15%	25%	25% <sup>a</sup>	25% <sup>a</sup>
Firms, Local authorities	-	12%	12%	12%	12%
Co-operative societies		7%	7%	7%	12%
Co-operative societies **(New regime under section 115BAD)	10%	10%	10%	10%	10%
Domestic Company	-	7%	7%	7%	12%
** (New regime under section 115BAA)	10%	10%	10%	10%	10%
FII/ FPI, Foreign company	-	2%	2%	2%	5%

Please note surcharge is not applicable in case of TDS deducted on income distributed to resident investors under section 194K

<sup>a</sup> The maximum rate of surcharge 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, shall be 25% 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> In case company/co-operative society opts for new regime of taxation, then the surcharge would be applicable at the rate of 10% irrespective of the taxable income.

6. Any person entitled to receive any sum or income or amount, on which tax is deductible under Chapter XVIIB (hereafter referred to as deductee), shall furnish his valid and operative Permanent Account



Number to the person responsible for deducting such tax (hereafter referred to as deductor), failing which tax shall be deducted at the higher of the following rates, namely:

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

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:

- (i) name, e-mail id, contact number;
- (ii) address in the country or specified territory outside India of which the non-resident is a resident;
- (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;
- (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.

7. For detailed tax implications, please refer to 'SECTION IX - TAX & LEGAL & GENERAL INFORMATION' provided in 'Statement of Additional Information ('SAI')'.

#### **E. Associate Transactions**

For detailed disclosure, kindly refer SAI

#### **F. Listing and transfer of units**

##### **Listing of units:**

The Units of the scheme has been 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.

##### **Transfer of Units:**

In accordance with clause 14.4.4 of SEBI Master circular, units of all DSP Silver ETF 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.

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.

#### **G. Dematerialization of units**

The Units of the Scheme are available only in dematerialized (electronic) form. Investors intending to invest in Units of the ETF 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 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.

The Units of the Scheme will be issued, traded and settled compulsorily in dematerialized (electronic) form.

#### **H. Minimum Target amount**

Not applicable

#### I. Maximum Amount to be raised (if any)

Not applicable

#### J. Dividend Policy (IDCW)

There is no IDCW Policy as the Scheme currently does not offer any IDCW Option.

#### K. Allotment

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.

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.

Allotment to NRIs/FPIs will be subject to RBI approval, if required. Subject to the SEBI (MF) Regulations, the Trustee may reject any application received in case the application is found invalid/incomplete or for any other reason in the Trustee's sole discretion. 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.

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.

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

#### Allotment confirmation:

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.

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.

Note: Allotment of units will be done after deduction of applicable stamp duty.

#### Example of computation of Cash Component for Creation / Redemption of Units in Creation Unit Size

The Creation Unit is made up of 2 components i.e. Portfolio Deposit and Cash Component. The Portfolio Deposit will be determined by the Fund. The Portfolio Deposit will be physical Silver and will be for 30 kg and in multiples of 30 kg. *During buying or selling, for a concerned transaction, In case of any variation in the weight of the silver bar (away from 30 kg), same shall be adjusted in the cash component i.e. higher weight will reduce cash component and lower weight will increase cash component for the concerned investor.* The value of Portfolio Deposit will change due to changes in the prices during the day.

The Cash Component will be arrived in the following manner:

<b>Subscription through portfolio deposit</b>		<b>Amounts</b>
Number of Units subscribed in Creation Unit	A	30,000.00
Applicable NAV per Unit for subscription through portfolio deposit	B	Rs.61.50
Value of one Creation Unit (including cash component)	C	Rs. 18,45,000
Previous day closing price per gram of Domestic price of Silver	D	Rs. 60

Portfolio deposit (weight of silver bars)	E	30.50 kg
Value of Portfolio Deposit (silver bars of 30.50 kg)	F	Rs. 18,30,000
Other charges applicable (including depository, transaction charges and taxes)	G	1,180
Cash Component receivable from investor (Applicable for this transaction) # (C-F+G)	H	Rs.16,180
<b><u>Redemption through portfolio deposit</u></b>		<b><u>Amounts</u></b>
Number of Units redeemed in Creation Unit	A	30,000.00
Applicable NAV per Unit for redemption through portfolio deposit	B	Rs.61.50
Value of one Creation Unit redeemed (including cash component)	C	Rs. 18,45,000
Previous day closing price per gram of Domestic price of Silver	D	Rs. 60
Portfolio deposit transferred to investor (weight of silver bars)	E	30.50 kg
Value of Portfolio Deposit transferred (silver bars of 30.50 kg)	F	Rs. 18,30,000
Other charges applicable (including depository, transaction charges and taxes)	G	1,180
Cash Component payable to investor (Applicable for this transaction) # (C-F+G)	H	Rs.16,180

The above is just an example to illustrate the calculation of cash component.

Cash Component will vary depending upon the actual charges incurred like Custodial Charges and other incidental charges for creating units.

#### **L. Refund**

If application is rejected, refunds will be completed within 5 Business Days from the transaction date for all cases where the remitter details are available. 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. Refunds will be made through electronic modes such as RTGS, NEFT, Direct Credits & Cheques as applicable.

#### **M. Who can invest**

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

- Resident Adult Individuals either singly or jointly (not exceeding three)
- Minors through parent/legal guardian
- Companies, Bodies Corporate, Public Sector Undertakings, association of persons or bodies of individuals whether incorporated or not and societies registered under the Societies Registration Act, 1860 (so long as the purchase of Units is permitted under the respective constitutions)
- 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)
- Trustee of private trusts authorised to invest in mutual fund Scheme under the Trust Deed
- Partnership Firms
- Karta of Hindu Undivided Family (HUF)
- Banks (including Co-operative Banks and Regional Rural Banks) and Financial Institutions
- NRIs/Persons of Indian Origin residing abroad on full repatriation basis (subject to RBI approval, if any) or on non-repatriation basis
- Foreign Portfolio Investors (FPI) as defined in Regulation 2(1) (h) of Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
- Army, Air Force, Navy and other para-military funds
- Scientific and Industrial Research Organisations
- International Multilateral Agencies approved by the Government of India
- Non-Government Provident/Pension/Gratuity funds as and when permitted to invest
- Mutual Funds registered under the SEBI (Mutual Funds) Regulations, 1996

- p. Others who are permitted to invest in the Scheme as per their respective constitutions
- q. 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).
- r. The AMC (No fees shall be charged on such investments).

#### **Applicability and provisions of Foreign Account Compliance Act (FATCA)**

For further details relating to FATCA, investors are requested to refer SAI which is available on the website viz. [www.dspim.com](http://www.dspim.com)

#### **N. Who cannot invest**

##### **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 (including Systematic Investment Plans and Systematic Transfer Plans) / 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, lump sum subscription 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.

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

#### **O. The policy regarding reissue of repurchased units, including the maximum extent, the manner of reissue, the entity (the scheme or the AMC) involved in the same.**

Not Applicable

#### **P. Restrictions, if any, on the right to freely retain or dispose of units being offered.**

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

#### **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 the 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:

1. No redemption / switch-out requests upto Rs. 2 lakhs shall be subject to such restriction.
2. 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.

#### **Q. Cut off timing for subscriptions/ redemptions/ switches**

##### **In case of Purchase / Redemption directly with Mutual Fund:**

(By Market Makers and Large Investors):

The Cut-off time for receipt of valid application for Subscriptions and Redemptions is 3.00 p.m.

However, as the Scheme is an Exchange Traded Fund, the Subscriptions and Redemptions of Units would be based on the Portfolio Deposit and Cash Component as defined by the Fund for that respective Working Day.

Pursuant to clause 3.6.2.3(b) of SEBI Master Circular, 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.

##### **Settlement of Purchase/Sale of Units of the Scheme on Stock Exchange:**

Buying/Selling of Units of the Scheme on Stock Exchange is just like buying/selling any other normal listed security. If an investor has bought Units, an investor has to pay the purchase amount to the broker/sub-broker such that the amount paid is realised before the funds pay-in day of the settlement cycle on the Stock Exchange(s). If an investor has sold Units, an investor has to deliver the Units to the broker/sub-broker before the securities paying day of the settlement cycle on the Stock Exchange(s). The Units (in the case of Units bought) and the funds (in the case of Units sold) are paid out to the broker on the pay-out day of the settlement cycle on the Stock Exchange(s). The Stock Exchange(s) regulations stipulate that the trading member should pay the money or Units to the investor within 24 hours of the pay-out.

If an investor has bought Units, he should give standing instructions for “Delivery-In” to his /her/its DP for accepting Units in his/her/its beneficiary account. An investor should give the details of his/her beneficiary account and the DP-ID of his/her/its DP to his/ her/its trading member. The trading member will transfer the Units directly to his/her/ its beneficiary account on receipt of the same from NSE's/ BSE's Clearing Corporation. An investor who has sold Units should instruct his/her/its Depository Participant (DP) to give “Delivery Out” instructions to transfer the Units from his/her/its beneficiary account to the Pool Account of his/her/its trading member through whom he/she/it have sold the Units. The details of the Pool A/C (CM-BP-ID) of his/her trading member to which the Units are to be transferred, Unit quantity etc. should be mentioned in the Delivery Out instructions given by him/her to the DP. The instructions should be given well before the prescribed securities pay-in day. SEBI has advised that the Delivery Out instructions should be given at least 24 hours prior to the cut-off time for the prescribed securities pay-in to avoid any rejection of instructions due to data entry errors, network problems, etc.

## Rolling Settlement

As per the SEBI's circular dated September 7, 2021, the rolling settlement on T+1 on optional basis shall come into force with effect from January 01, 2022. The same is applicable for all trades from January 27, 2023 onwards.

The Pay-in and Pay-out of funds and the Units will take place within 1 working days after the trading date.

### Day Activity:

<b>T</b>	The day on which the transaction is executed by a trading member
<b>T+1</b>	Confirmation of all trades including custodial trades by 7.30 a.m.
<b>T+1</b>	Processing and downloading of obligation files to brokers/custodians by 1.00 p.m.
<b>T+1</b>	Pay-in of funds and securities by 10.50 a.m. for funds and 10:30 am for Securities
<b>T+1</b>	Pay out of funds and securities by 3 p.m./ as and when received from Exchange

While calculating the days from the Trading day (Day T), weekend days (i.e. Saturday and Sundays) and stock exchange / bank holidays are not taken into consideration.

## R. Minimum balance to be maintained and consequences of non-maintenance

Not applicable

## S. Accounts Statements

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 para 1.24 of the circular no. SEBI/HO/MRD/MRD-PoD-1/P/CIR/2024/168 dated December 03, 2024 on Master Circular for Depositories, 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. However, if the investor wishes to opt for physical copy may request Depositories for the same. Further, the depositories shall issue Consolidated Account Statement within timelines as prescribed under SEBI Circular No. SEBI/HO/MRD/PoD1/CIR/P/2025/16 dated February 14, 2025 as amended from time to time.

For further details, refer SAI.

## T. Dividend/ IDCW

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.

## U. Redemption

The Redemption or repurchase proceeds shall be dispatched to Unit Holders within three Working Days from the date of acceptance of redemption or repurchase.

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 the SEBI Master Circular, the AMC may not be able to adhere with the timelines prescribed above.

For further details, refer SAI.

## V. Bank Mandate

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

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

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

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

For more details on Multiple Bank Accounts Registration Facility, Bank Account Details, Change of Bank, please refer SAI.

#### **W. Delay in payment of redemption/ repurchase proceeds/dividend**

The Redemption or repurchase proceeds shall be dispatched to Unit Holders within three Working Days from the date of redemption or repurchase.

In the event of delay/failure to transfer the redemption/repurchase proceeds within the aforesaid period, Interest for the period of delay in transfer of redemption or repurchase shall be paid by AMC to unitholders at the rate of 15% per annum along with the proceeds of redemption or repurchase.

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 the SEBI Master Circular, the AMC may not be able to adhere with the timelines prescribed above.

For further details, refer SAI.

#### **X. Unclaimed Redemption and Income Distribution cum Capital Withdrawal Amount.**

The treatment of unclaimed redemption and IDCW amounts shall be in terms of clause 14.3 of SEBI Master Circular.

For further details, please refer SAI.

#### **Y. Disclosure w.r.t investment by minors**

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

- a) The minor shall be the sole and only first holder in the account. Nomination facility is not available for applications/ folios on behalf of a minor. Joint holders' details and nomination details, even if mentioned and signed will not be considered.
- b) Guardian of the minor should either be a natural guardian (i.e. father or mother) or a court appointed legal guardian.

- c) Details like minor's date of birth, Guardian's relation with Minor, Guardian name, PAN, KYC are mandatory, along with supporting documents. Photo copy of the document evidencing the date of birth of minor like
  - i. Birth certificate of the minor, or
  - ii. School leaving certificate / Mark sheet issued by Higher Secondary Board of respective states, ICSE, CBSE etc., or
  - iii. Passport of the minor, or
  - iv. any other suitable proof should be attached with the application form.
- d) Where the guardian is not a natural guardian (father or mother) and is a court appointed legal guardian, suitable supporting documentary evidence should be provided.
- e) If the mandatory details and/or documents are not provided, the application is liable to be rejected without any information to the applicant.
- 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.

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

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 dated May 12, 2023 as amended from time to time.

## **Z. Principles of incentive structure for market makers (for ETFs)**

AMC does not intent 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.

## **AA. Trading in Units through Stock Exchange Mechanism**

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, NSE in accordance with the guidelines issued by SEBI and operating guidelines and directives issued by NSE, BSE or such other recognized stock exchange in this regard 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.

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.

Further, in line with SEBI circular No. SEBI/HO/MRD1/DSAP/CIR/P/2020/29 dated February 26, 2020 as amended from time to time, investors can directly buy/redeem units of the Scheme through stock exchange platform.

## **BB. Payment details**

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.



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.

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.

Pursuant to the circular issued by the SEBI titled 'Adoption of Standardised, Validated and Exclusive UPI IDs for Payment Collection by SEBI Registered Intermediaries from Investors' dated June 11, 2025, SEBI-validated UPI ID has been obtained and payment option with valid UPI ID has been enabled.

For more details, please refer our website link: <https://www.dspim.com/faqs#Purchase-transactions#What-is-UPI-Payment->

#### **CC. Nomination**

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.

For more details, please read the Statement of Additional Information [SAI] document.

#### **DD. Pledge of Units for Loans**

Units can be pledged by the Unit Holders as security for raising loans, subject to any rules/restrictions that the Trustee may prescribe from time to time.

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.

#### **EE. Process for change of address**

As units would be in demat mode, the procedure for change in address would be as determined by the depository participant.

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.

#### **FF. Non acceptance of third party payment**

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.

#### **GG. Rights of Unitholders**

Please refer to SAI for details.