

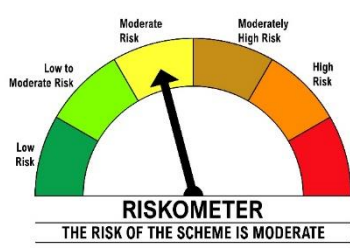
DSP MUTUAL FUND

DRAFT SCHEME INFORMATION DOCUMENT

SECTION I

DSP Financial Services Sectoral Debt Fund

(An open ended debt scheme investing in the financial services sector. A relatively high interest rate risk and moderate credit risk)

This product is suitable for investors who are seeking*:	Scheme Riskometer#	Benchmark Riskometer#
- Income over a short to medium term investment horizon - Investment predominantly in debt instruments pertaining to financial services sector *Investors should consult their financial advisers if in doubt about whether the Scheme is suitable for them.		

#The actual Risk-o-meter will be decided at the time of launch based on the tenure and portfolio of each scheme.

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

Potential Risk Class Matrix: The potential risk class matrix of DSP Financial Services Sectoral Debt Fund based on interest rate risk and credit risk is as follows:

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

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

Offer for Units of Rs. 10 each for cash during the New Fund Offer and Continuous offer for Units at NAV based prices

New Fund Offer and Continuous Offer for Units at NAV based prices

New Fund Offer opens on:

New Fund Offer closes on:

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

Name of Mutual Fund	DSP Mutual Fund
Name of Asset Management Company	DSP Asset Managers Private Limited
CIN of Asset Management Company	(U65990MH2021PTC362316)
Name of Trustee Company	DSP Trustee Private Limited
CIN of Trustee Company	(U65991MH1996PTC100444)
Addresses of the entities	The Ruby, 25th Floor, 29, Senapati Bapat Marg, Dadar (West), M - 400028
Website of the entities	www.dspim.com

The particulars of the Scheme have been prepared in accordance with the Securities and Exchange Board of India (Mutual Funds) Regulations 2026, (herein after referred to as SEBI (MF) Regulations) as amended till date and circulars issued thereunder filed with SEBI, along with a Due Diligence Certificate from the AMC. The units being offered for public subscription have not been approved or recommended by SEBI nor has SEBI certified the accuracy or adequacy of the Scheme Information Document.

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

The investors are advised to refer to the Statement of Additional Information (SAI) for details of DSP Mutual Fund, Standard Risk factors, Special Considerations, Tax and Legal issues and general information on www.dspim.com.

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

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

This draft Scheme Information Document is dated June 04, 2026-

TABLE OF CONTENTS

Particulars	Page No.
SECTION I	
PART I. HIGHLIGHTS / SUMMARY OF THE SCHEME	4
PART II. INFORMATION ABOUT THE SCHEME	15
A. HOW WILL THE SCHEME ALLOCATE ITS ASSETS?	15
B. WHERE WILL THE SCHEME INVEST?	18
C. WHAT ARE THE INVESTMENT STRATEGIES?	19
D. HOW WILL THE SCHEME BENCHMARK ITS PERFORMANCE?	20
E. WHO MANAGES THE SCHEME?	20
F. HOW IS THE SCHEME DIFFERENT FROM EXISTING SCHEMES OF MUTUAL FUND?	21
G. HOW HAS THE SCHEME PERFORMED	21
H. ADDITIONAL SCHEME RELATED DISCLOSURES	21
PART III. OTHER DETAILS	22
A. COMPUTATION OF NAV	22
B. NEW FUND OFFER (NFO) EXPENSES	23
C. ANNUAL SCHEME RECURRING EXPENSES	23
D. LOAD STRUCTURE	27
SECTION II	
I. INTRODUCTION	29
A. DEFINITIONS/ INTERPRETATION	29
B. RISK FACTORS	30
C. RISK MITIGATION STRATEGIES	39
II. INFORMATION ABOUT THE SCHEME	40
A. WHERE WILL THE SCHEME INVEST	40
B. WHAT ARE THE INVESTMENT RESTRICTIONS?	57
C. FUNDAMENTAL ATTRIBUTES	61
D. INDEX METHODOLOGY	62
E. PRINCIPLES OF INCENTIVE STRUCTURE FOR MARKET MAKERS (FOR ETFs)	62
F. FLOORS AND CEILING WITHIN A RANGE OF 5% OF THE INTENDED ALLOCATION AGAINST EACH SUB CLASS OF ASSET	62
G. OTHER SCHEME SPECIFIC DISCLOSURES	62
III. OTHER DETAILS	84
A. OVERVIEW OF THE UNDERLYING FUNDS	84
B. PERIODIC DISCLOSURES	84
C. TRANSPARENCY/NAV DISCLOSURE	86
D. TRANSACTION CHARGES AND STAMP DUTY	87
E. ASSOCIATE TRANSACTIONS	87
F. TAXATION	87
G. RIGHTS OF UNITHOLDERS	90
H. LIST OF OFFICIAL POINTS OF ACCEPTANCE	90
I. PENALTIES, PENDING LITIGATION OR PROCEEDINGS, FINDINGS OF INSPECTIONS OR INVESTIGATIONS	90

PART I. HIGHLIGHTS/SUMMARY OF THE SCHEME

Sr.No	Title	Description
I.	Name of the Scheme	DSP Financial Services Sectoral Debt Fund
II.	Category of the Scheme	Sectoral Fund
III.	Scheme Type	An open ended debt scheme investing in the financial services sector. A relatively high interest rate risk and moderate credit risk.
IV.	Scheme Code	(To be inserted before launch of scheme)
V.	Investment Objective	The primary investment objective of the Scheme is to seek to generate income and capital appreciation by primarily investing in a portfolio of high quality debt and money market securities that are issued by entity/undertakings in Financial Services sector. There is no assurance or guarantee that the investment objective of the Scheme will be realized.
VI.	Liquidity/listing details	Liquidity Details- Liquidity details: As per Paragraph 15.3.1 of SEBI Master Circular, redemption proceeds shall be dispatched within 3 (three) Working Days from the date of redemption. 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 Paragraph 15.3.3 of SEBI Master Circular No. HO/24/13/11(1)2026-IMD-POD-1/I/7602/2026 dated March 20, 2026 (SEBI Master Circular), the AMC may not be able to adhere with the timelines prescribed above. Listing details The Scheme is open ended and the Units are not proposed to be listed on any stock exchange. However, the Mutual Fund may, at its sole discretion, list the Units on one or more Stock Exchanges at a later date, and thereupon the Mutual Fund will make suitable public announcement to that effect.
VII.	Benchmark Index (Total Return Index)	• Benchmark of the Scheme - Crisil Financial Services Short Term Debt Index B-II • Justification - SEBI vide its circular had provided guiding principles for bringing uniformity in benchmarks of mutual fund schemes & accordingly introduced a two-tiered structure for benchmarking of schemes for categories of mutual fund schemes. AMFI has published the first tier benchmarks to be used by the AMCs for all open-ended debt schemes as per the PRC Matrix. Accordingly, the benchmark is selected from the benchmarks notified by AMFI for the category of scheme in line with the Scheme's PRC level/credit risk level/ Macaulay's duration (as available for the benchmark). The Trustee may change the benchmark for any of the Schemes in future, if a benchmark better suited to the investment objective of that Scheme is available at such time and as per the guidelines and directives issued by SEBI from time to time.

		• Second tier benchmark - Not applicable											
VIII.	NAV Disclosure	The NAVs of the Scheme/plans will be calculated by the Mutual Fund on each Business Day and will be made available by 11 p.m. of the same Business Day. In case NAV of Corporate Debt Market Development Fund (‘CDMDF’) units is not available by 9:30 p.m. of same Business Day, NAV declaration timing for Mutual Fund Schemes holding units of CDMDF shall be 10 a.m. on next business day instead of 11 p.m. on same Business Day. The information on NAVs of the Scheme/plans may be obtained by the Unit Holders, on any day, by calling the office of the AMC or any of the Investor Service Centres at various locations. The NAV of the Scheme will also be updated on the AMFI website www.amfiindia.com and on www.dspim.com. Further Details in Section II.											
IX.	Applicable timelines	Timeline for 1. Dispatch of redemption proceeds - As per para 15.3.1 of SEBI Master Circular, the Mutual Fund shall dispatch the redemption proceeds within 3 working days from the date of acceptance of redemption request. 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 Paragraph 15.3.3 of SEBI Master Circular No. HO/24/13/11(1)2026-IMD-POD-1/1/7602/2026 dated March 20, 2026 (SEBI Master Circular), the AMC may not be able to adhere with the timelines prescribed above. 2. Dispatch of Income Distribution cum Capital Withdrawal (‘IDCW’) - IDCW warrants shall be dispatched to the Unit Holders within 7 Working days from the record date for declaration of the IDCW. In the event of delay/failure to despatch the IDCW warrants within the aforesaid period, the AMC will be liable to pay interest to the Unit Holders at such rate as may be specified by SEBI for the period of such delay (currently @ 15% per annum)											
X.	Plans and Options	Plans and Options: <table><tr><th>Plan</th><th>Options</th><th>Sub-Option</th><th>Income Distribution cum Capital Withdrawal Frequency/Record Date</th></tr><tr><td rowspan="2">Regular Plan and Direct Plan</td><td>Growth</td><td>-</td><td></td></tr><tr><td>Income Distribution cum Capital</td><td>Payout of IDCW & Reinvest</td><td>At the discretion of Trustee</td></tr></table>	Plan	Options	Sub-Option	Income Distribution cum Capital Withdrawal Frequency/Record Date	Regular Plan and Direct Plan	Growth	-		Income Distribution cum Capital	Payout of IDCW & Reinvest	At the discretion of Trustee
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Regular Plan and Direct Plan	Growth	-											
	Income Distribution cum Capital	Payout of IDCW & Reinvest	At the discretion of Trustee										

			Withdrawal (IDCW)	ment of IDCW																															
Investors may note that under Income Distribution cum Capital Withdrawal options the amounts can be distributed out of investor's capital (Equalization Reserve), which is part of sale price that represents realized gains. #In case the Record Date falls on a non Business Day, the immediate next Business Day shall be considered as the Record Date. All the Plans and option under the Scheme will have common portfolio. Default option- Investors should indicate the Scheme / Plan and / or Option / Sub Option, wherever applicable, for which the subscription is made by mentioning the full name of Scheme/ Plan/ option or sub option in the appropriate space provided for this purpose in the application form. In case of valid applications received, without indicating the Scheme / Plan and / or Option etc. or where the details regarding Plan and/or Option are not clear or ambiguous, the following defaults will be applied: <table><tr><th>If no indication is given under the following</th><th>Default</th></tr><tr><td>Option - Growth/Income Distribution cum Capital Withdrawal (IDCW)</td><td>Growth Option</td></tr><tr><td>Sub-option - Payout of Income Distribution cum Capital Withdrawal (IDCW)/ Reinvestment of Income Distribution cum Capital Withdrawal (IDCW)</td><td>Payout of Income Distribution cum Capital Withdrawal (IDCW)</td></tr></table> In case an investor/Unit Holder fails to mention the plan and broker details in the application form, then the application shall be processed under respective option/sub-option under Direct Plan of the Scheme Processing of Application Form/Transaction Request: The below table summarizes the procedures which would be adopted while processing application form/transaction request by the AMC. <table><tr><th>Sr. No.</th><th>AMFI Registration Number (ARN) Code/Direct/Blank as mentioned in the application form/ transaction request</th><th>Plan as selected in the application form/ transaction request</th><th>Transaction shall be processed and Units shall be allotted under</th></tr><tr><td>1</td><td>Not mentioned</td><td>Not mentioned</td><td>Direct Plan</td></tr><tr><td>2</td><td>Not mentioned</td><td>Direct</td><td>Direct Plan</td></tr><tr><td>3</td><td>Not mentioned</td><td>Regular</td><td>Direct Plan</td></tr><tr><td>4</td><td>Mentioned</td><td>Direct</td><td>Direct Plan</td></tr><tr><td>5</td><td>Direct</td><td>Not mentioned</td><td>Direct Plan</td></tr></table>						If no indication is given under the following	Default	Option - Growth/Income Distribution cum Capital Withdrawal (IDCW)	Growth Option	Sub-option - Payout of Income Distribution cum Capital Withdrawal (IDCW)/ Reinvestment of Income Distribution cum Capital Withdrawal (IDCW)	Payout of Income Distribution cum Capital Withdrawal (IDCW)	Sr. No.	AMFI Registration Number (ARN) Code/Direct/Blank as mentioned in the application form/ transaction request	Plan as selected in the application form/ transaction request	Transaction shall be processed and Units shall be allotted under	1	Not mentioned	Not mentioned	Direct Plan	2	Not mentioned	Direct	Direct Plan	3	Not mentioned	Regular	Direct Plan	4	Mentioned	Direct	Direct Plan	5	Direct	Not mentioned	Direct Plan
If no indication is given under the following	Default																																		
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		<table><tr><td>6</td><td>Direct</td><td>Regular</td><td>Direct Plan</td></tr><tr><td>7</td><td>Mentioned</td><td>Regular</td><td>Regular Plan</td></tr><tr><td>8</td><td>Mentioned</td><td>Not mentioned</td><td>Regular Plan</td></tr></table> In cases of wrong/ invalid/ incomplete ARN, any purchase or switch-in or SIP & STP registration shall be processed under Direct Plan or rejected depending on the mode of the transaction. “Invalid ARNs” shall include ARN validity period expired, ARN cancelled /terminated, ARN suspended, ARN Holder deceased, Nomenclature change, as required pursuant to SEBI (Investment Advisers) Regulations, 2013, not complied by the Mutual Fund Distributor (‘MFD’), MFD is debarred by SEBI, ARN not present in AMFI ARN database, ARN not empanelled with AMC. Notes: a. Investors should provide details/instructions only in the space provided in the form. Any details/notings/information/ instruction provided at a non -designated area of the standard form being used, or any additional details, for which space is not designated in the standard form, may not be executed and the AMC will not be liable for the same. b. 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. c. 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. d. Investors shall note that once Units are allotted, AMC shall not entertain requests regarding change of Plan/Option, with a retrospective effect. e. Any change in IDCW sub option due to additional investment or customer request will be applicable to all existing Units in the IDCW option of the scheme concerned. f. The AMC and its Registrar reserve the right to disclose the details of investors and their transactions to third parties viz. banks, distributors, Registered Investment Advisors from whom applications of investors are received and any other organization for the purpose of compliance with legal and regulatory requirements or for complying with antimony laundering requirements. g. Returned cheques are liable not to be presented again for collection, and the accompanying application could also be rejected. In case returned cheques are presented, the necessary charges including returned charges may be debited to the investor. For detailed disclosure on default plans and options, kindly refer SAI	6	Direct	Regular	Direct Plan	7	Mentioned	Regular	Regular Plan	8	Mentioned	Not mentioned	Regular Plan
6	Direct	Regular	Direct Plan											
7	Mentioned	Regular	Regular Plan											
8	Mentioned	Not mentioned	Regular Plan											
XI.	Load Structure	Exit Load: Nil <u>Note:</u> No exit load shall be levied In case of switch of investments from Direct Plan to Regular Plan and vice versa. In respect of Systematic Transactions such as SIP, STPs etc., Exit Load, if any, prevailing on the date of registration / enrolment shall be levied.												
XII.	Minimum Application Amount/switch in	- During NFO: Rs. 100/- and any amount thereafter - On continuous basis: Rs. 100/- and any amount thereafter												

		Note: The minimum application amount will not be applicable for investment made in schemes in line with SEBI guidelines on Alignment of interest of Designated Employees of AMC.
XIII.	Minimum Additional Purchase Amount	Rs. 100/- and any amount thereafter
XIV.	Minimum Redemption/switch out amount	Not applicable
XV.	New Fund Offer Period This is the period during which a new scheme sells its units to the investors.	NFO for DSP Financial Services Sectoral Debt Fund Opens on: _____ Closes on: _____ As per Paragraph 1.7.1 of SEBI Master Circular, the NFO shall remain open for subscription for a minimum period of 3 Working Days and not more than 15 calendar days. Extension or Termination of NFO Period In case the NFO Opening/ Closing Date is subsequently declared as a non-Business Day, the following Business Day will be deemed to be the NFO Opening/ Closing Date. The AMC/Trustee reserves the right to change the New Fund Offer Period, subject to the condition that the subscription list of the New Fund Offer Period shall not be kept open for more than 15 calendar days. An addendum shall be uploaded on the AMC website i.e. www.dspim.com notifying the change in the NFO Dates / Period.
XVI.	New Fund Offer Price: This is the price per unit that the investors have to pay to invest during the NFO.	Rs. 10/- per unit during the New Fund Offer.
XVII.	Segregated portfolio/side pocketing disclosure	As per Paragraph 5.5 of the SEBI Master Circular, the scheme is enabled for segregated portfolio. For Details, kindly refer SAI.
XVIII.	Swing pricing disclosure	Swing pricing framework during market dislocation is applicable. Investors may note that in case the Scheme wind up in future and the AMC reverse the decision of such winding up post announcement, the Scheme shall mandatorily invoke the swing pricing upon re-opening subscriptions and redemption. For details pertaining to swing factor and indicative range of swing factor in such scenario, investors may refer section - "D. Information pertaining to Investments by the Schemes of the Fund" - point "2. Swing Pricing" of SAI.
XIX.	Stock lending/short selling	Subject to SEBI (MF) Regulations and the applicable guidelines issued by SEBI, the Scheme may engage in stock lending. For Details, kindly refer SAI. The Scheme may engage in short selling of securities in accordance with the framework relating to short selling and securities lending and borrowing specified by SEBI.
XX.	How to Apply and other details	Investors have different options to transact for their investments. Investors intending to invest in physical mode can submit their transaction request to AMC Offices or Investor Service Centres of CAMS. Investors can also transact digitally on AMC/RTA website or through Stock Exchange Platforms, MF Utilities Pvt Ltd. Investor can reach out to their investment advisor for transacting on digital platforms. Financial transactions through email in respect of non- individual investors shall be accepted in terms of AMFI Best Practice Guidelines

		(BPG) no. 118/ 2024-25 dated January 31, 2025. For the terms and conditions of for availing the facility to transact through electronic mail, please refer SAI. Application form and Key Information Memorandum may be obtained from Official Points of Acceptance (OPAs) / Investor Service Centres (ISCs) of the AMC or RTA or Distributors or can be downloaded from our website www.dspim.com Investors intending to apply through ASBA will be required to submit ASBA form to their respective banks, which in turn will block the amount in their account as per authority contained in the ASBA form. ASBA applications can be submitted only at SCSB at their designated branches. List of SCSBs and their designated branches shall be displayed on the SEBI's website (www.sebi.gov.in). ASBA form should not be submitted at location other than SCSB as it will not be processed. For details on ASBA process please refer the ASBA application form. Please refer further details in section II.
XXI.	Investor services	<u>Contact details for general service requests:</u> 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 <u>Contact details for complaint resolution:</u> Mr. Santosh Pandey Investor Relations Officer The Ruby, 25th Floor, 29, Senapati Bapat Marg, Dadar (West), Mumbai - 400028, Tel.: 022 - 66578000 Stock Exchange Transactions: For grievances related to stock exchange transactions, contact either the stockbroker or the investor grievances cell of the respective stock exchange. MFU Customer Care: For transactions related to MFU, Investors may contact the customer care of MFUI on 1800-266-1415 (business hours on all days except Sunday and Public Holidays) or send an email to clientservices@mfindia.com
XXII.	Specific attribute of the scheme (such as lock in, duration in case of target Maturity scheme/close ended schemes) (as applicable)	Not applicable
XXIII.	Special product/facility available during the NFO and on ongoing basis	<u>Special product/facility available during NFO:</u> 1. Switching: During the NFO period (switch request will be accepted upto 3.00 p.m. on the last day of the NFO), the Unit holders will be able to invest into the NFO of the Scheme by switching part or all of their Unit holdings held in the existing schemes of the Mutual Fund. A switch has the effect of redemption from one scheme/plan/ option and a purchase in the other scheme/plan/option to which the switching

		has been done. The price at which the units will be switched-out will be based on the redemption price of the scheme from which switch-out is done and the proceeds will be invested into the Scheme at the NFO Price Unit holders are requested to note that application for switch-out for units for which funds are not realized via purchase or switch-in in the scheme of the Fund shall be liable to be rejected. In other, switch out of units will be processed only if the funds for such units are realized in the scheme by a way of payment instructions/ transfer or switch-in funding process. Further, all switch funding shall be in line with redemption funding timelines adopted by the concerned scheme i.e. if a scheme follows T+3 payout for redemption, the switch out funding should also be made on the T+3 and not earlier or later than T+3, where T is the day of transaction. The funds from the switch out schemes into the switch in scheme should be received till allotment date. If the NFO of the scheme is called off for any reason whatsoever, the Switch Out amount from other schemes to the NFO scheme will be paid to the investor within 5 Business Days of the closure of the NFO, similar to a redemption from Switch out scheme. Investors should note that the Switch transaction will not be nullified and the switch amount will be paid out as redemption. Further, such payments will not qualify as delayed payments and no interest will be payable by the Fund/AMC/RTA in such cases where the payment date is beyond 10 days of the switch out date, as the switch transactions are accepted from the first day of the entire NFO period and the NFO may be called off after the closure of NFO 2. Systematic Investment Plan (SIP) Investors can, during the NFO, benefit by investing Rupee amounts periodically for a continuous period through SIP. SIP allows investors to invest a fixed amount of Rupees on daily (business days) or specific dates every month or quarter by purchasing Units of the Scheme at the Purchase Price prevailing at such time. Investors can enroll themselves for SIP (minimum 12 installments) by ticking the appropriate box in the application form and filling up the relevant SIP form specifying the amount, period and SIP date. The detailed terms and conditions are mentioned in the SIP Auto Debit Form. SIP through post-dated cheques will not be accepted during NFO. 3. Applications Supported by Blocked Amount (ASBA) facility ASBA facility will be provided to the investors subscribing to NFO of the Scheme. It shall co-exist with the existing process, wherein cheques/ demand drafts are used as a mode of payment. Please refer ASBA application form for detailed instructions. Please refer the SAI and ASBA application form for complete details on ASBA. <u>Special product/facility available on ongoing basis:</u> 1. Systematic Investment Plan (SIP): SIP allows investing fixed amounts regularly on specific dates monthly or quarterly by purchasing Units of the Scheme at applicable Net Asset Value (NAV).
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		of the Fund can opt to systematically transfer amount(s), which may vary based on the value of investments already made/transferred under this facility, on the date of transfer at predetermined intervals from designated open-ended Scheme of the Fund [hereinafter referred to as “Transferor Scheme”] to the ‘Growth Option’ only, of designated open-ended scheme of the Fund [hereinafter referred to as “Transferee Scheme”]. Transferor Scheme means all scheme of the Fund currently having STP facility and Transferee Scheme means growth option of all scheme of the Fund. All other terms and conditions applicable to STP facility will be applicable to Flex STP. For general terms and conditions and more information, Unit holder(s) are requested to read Terms and Conditions available on www.dspim.com. • Value Systematic Transfer Plan (‘Value STP’): Value STP facility, is a facility wherein Unit holder(s) of designated open-ended scheme of the Fund can opt to systematically transfer amount(s), which may vary based on the value of investments already made/transferred under this facility, on the date of transfer at predetermined intervals from designated open-ended scheme of the Fund [hereinafter referred to as “Transferor Scheme”] to the ‘Growth Option’ only of designated open-ended Scheme of the Fund [hereinafter referred to as “Transferee Scheme”], including a feature of ‘Reverse Transfer’ from Transferee Scheme into the Transferor Scheme, in order to achieve the Target Market Value on each transfer date in the Transferee Scheme, subject to the terms and conditions of Value STP. • Super Systematic Transfer Plan (‘Super STP’): Super STP, is a facility wherein Unit holder(s) of designated open-ended Scheme of the Fund can opt to systematically transfer amount(s), which may vary based on prevailing equity valuations at defined intervals from designated open-ended Scheme of the Fund [hereinafter referred to as “Source Scheme”] to the ‘Growth Option’ of designated open-ended scheme of the Fund [hereinafter referred to as “Target Scheme”]. This is a source scheme. 3. Systematic Withdrawal Plan (SWP): SWP allows redeeming fixed amounts of money regularly on specific dates monthly or quarterly from a specified scheme. 4. Switching: A switch has the effect of redemption from one scheme/ plan/option and a purchase in the other scheme/plan/ option to which the switching has been done. To effect a switch, a Unit Holder must provide clear instructions. Such instructions may be provided in digital platforms or in writing or by completing the transaction slip/form attached to the account statement. The switch request can be made for any amount of Rs. 100/- or more. A Unit Holder may request switch of a specified amount or a specified number of Units only. If the Unit Holder has specified both the amount (in Rs.) and the number of Units, switch-out of units will be carried out based on the number of units specified by the Unit Holder. 5. 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. For Units 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
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		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. In case of Units held in physical form, the Registrar will note and record such pledge. A standard form for this purpose is available at any of the official points of acceptance of transactions and on www.dspim.com. 6. One time mandate facility: This Facility enables the Unit Holder/s of DSP - Mutual Fund ('Fund') to transact with in a simple, convenient and paperless manner by submitting OTM - One Time Mandate registration form to the Fund which authorizes his/her bank to debit their account up to a certain specified limit per transaction, as and when they wish to transact with the Fund, without the need of submitting cheque or fund transfer letter with every transaction thereafter. This Facility enables Unit holder(s) of the Fund to start Systematic Investment Plan (SIP) or invest lump sum amounts in any Scheme of the Fund by sending instructions through Transaction forms, and online facility specified by the AMC. It is to be noted that allotment of units are subject to realization of credit in the scheme 7. Transfer of Income Distribution cum Capital Withdrawal plan (IDCW): Unit holders under the Regular Plan & Direct Plan (wherever applicable) and IDCW Options(s) (other than Daily IDCW Reinvest sub-option) of all the open ended Scheme of the Mutual Fund can opt to transfer their IDCW to any other option under the Regular Plan & Direct Plan (wherever applicable) (other than Daily IDCW Reinvest sub-option) of all the open- ended Scheme of the Mutual Fund by availing the facility of IDCW Transfer Plan (DTP). Under DTP, IDCW as & when declared (as reduced by the amount of applicable statutory levy) in the transferor Scheme (subject to minimum of Rs.100/-) will be automatically invested without any exit load into the transferee Scheme, as opted by the Unit holder. Such transfer will be treated as fresh subscription in the transferee Scheme and invested at the Applicable NAV on the Business Day immediately following the record date, subject to terms and conditions applicable to the transferee Scheme. Investors are requested to note that the AMC may change the terms and conditions for SWP facility from time to time, due to changing market and operational conditions. Investors are advised to check the latest terms and conditions from any of the offices of the AMC, before investing same is available on www.dspim.com. For further details, please refer SAI.
XXIV.	Weblink	- Link for TER for last 6 months and Daily TER- https://www.dspim.com/mandatory-disclosures/ter - Link for Scheme factsheet- https://www.dspim.com/downloads/Factsheets
XXV.	Minimum installment Amount for Systematic Investment Plan (SIP)	Rs. 100/- and any amount thereafter
XXVI.	Minimum installment Amount for Systematic Withdrawal Plan (SWP)/Systematic Transfer Plan (STP)	Rs. 100/- and any amount thereafter
XXVII.	Minimum balance to be	Not applicable

	maintained and consequences of non maintenance	
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DUE DILIGENCE BY THE ASSET MANAGEMENT COMPANY

It is confirmed that:

- (i) The draft Scheme Information Document submitted to SEBI is in accordance with the SEBI (Mutual Funds) Regulations, 2026 and the guidelines and directives issued by SEBI from time to time.
- (ii) All legal requirements connected with the launching of the Scheme as also the guidelines, instructions, etc., issued by the Government and any other competent authority in this behalf, have been duly complied with.
- (iii) The disclosures made in the draft Scheme Information Document are true, fair and adequate to enable the investors to make a well informed decision regarding investment in the Scheme.
- (iv) The intermediaries named in the draft Scheme Information Document and Statement of Additional Information are registered with SEBI and their registration is valid, as on date.
- (v) The contents of the draft Scheme Information Document including figures, data, yields etc. have been checked and are factually correct
- (vi) The AMC has complied with the compliance checklist applicable for draft Scheme Information Documents and other than cited deviations/ that there are no deviations from the regulations.
- (vii) Notwithstanding anything contained in this draft Scheme Information Document, the provisions of the SEBI (Mutual Funds) Regulations, 2026 and the guidelines there under shall be applicable.
- (viii) The Trustees have ensured that the DSP Financial Services Sectoral Debt Fund approved by them is a new product offered by DSP Mutual Fund and is not a minor modification of any existing scheme/fund/product.

Date: June 04, 2026
Place: Mumbai

Name: Dr. Pritesh Majmudar
Designation: Head - Legal and Compliance

Part II. INFORMATION ABOUT THE SCHEME

A. HOW WILL THE SCHEME ALLOCATE ITS ASSETS?

Under normal circumstances, the asset allocation will be as follows:

Instruments	Indicative allocations (% of total assets)	
	Minimum	Maximum
Debt & Debt related instruments of Financial Services sector across duration which are rated AA+ and above	80%	100%
Other Debt and Money market securities/Instruments (including cash and cash equivalents)	0%	20%
Units issued by INVITs	0%	10%

Indicative table:(Actual instrument/percentages may vary subject to applicable SEBI circulars)

Sl. No	Type of Instrument	Percentage of exposure	Circular references
1.	Securities Lending	Upto 20% (upto 5% for any single single intermediary)	Paragraph 13.6 of the SEBI Master Circular
2.	Short Selling	In accordance with guidelines issued by SEBI	Regulation 41 (7) of SEBI (Mutual Funds) Regulations, 2026
3.	Debt Derivatives	For hedging - Upto 100% For non-hedging - Nil	Paragraph 13.15 and 13.18.2 of the SEBI Master Circular
4.	Equity Derivatives for non-hedging purposes	Nil	-
5.	Debt Instruments with SO / CE rating	Upto 10% of the debt portfolio and the group exposure in such instruments shall not exceed 5% of the debt portfolio	Sr. No. 10 of table under Paragraph 13.1 of the SEBI Master Circular
6.	Overseas Securities	Nil	-
7.	Securitized Debt	Upto 20%	-
8.	Debt Instruments with special features (AT1 and AT2 Bonds)	Upto 10% (upto 5%- single issuer) of the debt portfolio	Sr. No. 9 of table under Paragraph 13.1 of the SEBI Master Circular
9.	Tri-party repos (including Reverse repo in T-bills and G-sec)	Upto 20%	-
10.	Other / own mutual funds	Upto 5 % of AUM of mutual fund level	Paragraph 3 of the Sixth Schedule of SEBI (Mutual Funds) Regulations, 2026
11.	Repo/ reverse repo transactions in corporate debt securities	Upto 10%	Paragraph 13.8 of the SEBI Master Circular
12.	Credit Default Swap transactions	Nil	Paragraph 13.17 of the SEBI Master Circular
13.	Unrated debt instruments	Upto 5% (refer Note 1)	Sr. No. 4 of table under Paragraph 13.1 of the SEBI Master Circular
14.	InvITs	Upto 10% (upto 5%- single issuer) of the NAV	Paragraph 3.8.2(e) and Paragraph 13.13 of the SEBI Master Circular
15.	Short Term Deposit	Refer Note 2	Paragraph 13.7 of the SEBI Master Circular

Indicative table is subset of primary asset allocation table mentioned above, and both shall be read in conjunction.

Note 1- All such investments shall be made with the prior approval of the Board of AMC and the Board of trustees.

Note 2 - Investment in Short-Term Deposits-

Pending deployment of the funds of the Scheme shall be in terms of Paragraph 13.7 of the SEBI Master Circular, the AMC may invest funds of the Scheme in short term deposits of scheduled commercial banks, subject to following conditions:

1. The term 'short term' for parking of funds shall be treated as a period not exceeding 91 days.
2. Such deposits shall be held in the name of the Scheme.
3. The Scheme shall not park more than 15% of its 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.
4. The Scheme shall not park more than 10% of its net assets in short term deposit(s) with any one scheduled commercial bank including its subsidiaries.
5. 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 that Scheme.
6. AMC will not charge any investment management and advisory fees for parking of funds in short term deposits of scheduled commercial banks.
7. 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.

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

Such deposits shall be held in the name of the Scheme.

Prudential norms for liquidity risk management-

The Scheme shall duly comply with AMFI Best Practice Guideline Circular No. 117 of 2024-25 dated November 13, 2024 on prudential norms for liquidity risk management for open ended schemes debt schemes and such other clarifications and amendments issued from time to time in this regard.

Cumulative Gross Exposure

As per Paragraph 13.18 of the SEBI Master Circular, the cumulative gross exposure through debt, derivative positions (including fixed income derivatives), repo transactions in corporate debt securities, Infrastructure Investment Trusts (InvITs), other permitted securities/assets and such other securities/assets as may be permitted by the Board from time to time should not exceed 100% of the net assets of the scheme.

Cash and cash equivalents as per SEBI letter no. SEBI/HO/ IMD-II/DOF3/ OW/P/ 2021/ 31487 / 1 dated November 03, 2021 which includes T-bills, Government Securities, Repo on Government Securities and any other securities as may be allowed under the regulations prevailing from time to time subject to the regulatory approval, if any, having residual maturity of less than 91 Days, shall not be considered for the purpose of calculating gross exposure limit

Stock lending-

Subject to SEBI (MF) Regulations and the applicable guidelines issued by SEBI, the Mutual Fund may engage in stock lending. The AMC shall comply with all reporting requirements and the Trustee shall carry out periodic review as required by SEBI guidelines. Stock lending means the lending of stock to another person or entity for a fixed period of time, at a negotiated compensation. The securities lent will be returned by the borrower on expiry of the stipulated period.

The Investment Manager will apply the following limits, should it desire to engage in Stock Lending:

1. Not more than 20% of the net assets of a Scheme can generally be deployed in Stock Lending.
2. Not more than 5% of the net assets of a Scheme can generally be deployed in Stock Lending to any single intermediary.

Investment in Corporate Debt Market Development Fund-

In accordance with the requirement of regulation 40 of SEBI (Mutual Funds) Regulations, 2026 read with Chapter 18 of the SEBI Master Circular, scheme shall invest 25 bps of its AUM as on December 31, 2022 in the units of the Corporate Debt Market Development Fund ('CDMDF') within 10 working days from the request of CDMDF. Further, an incremental contribution to CDMDF shall be made every six months within 10 working days from the end of half year starting from December 2023 to ensure 25 bps of scheme AUM is invested in units of CDMDF. However, if AUM decreases there shall be no return or redemption from CDMDF. Contribution made to CDMDF, including the appreciations on the same, if any, shall be locked-in till winding up of the CDMDF.

However, in case of winding up of contributing Scheme, inter-scheme transfers within the same Mutual Fund or across Mutual Funds may be undertaken.

Pursuant to requirement of Chapter 18 of the SEBI Master Circular, & any such other circulars/ guidelines/ letters issued by SEBI / AMFI from time to time, the calculations of Potential Risk Class (PRC) Matrix, Risk-o-meter, Stress testing and Duration for various purposes shall be done after excluding investments in units of CDMDF wherever applicable. Additionally, in terms of aforesaid circular, the investments in CDMDF units shall not be considered as violation while considering maturity restriction as applicable for various purposes.

Timelines for deployment of funds collected in NFO -

In line with Paragraph 7.24 of the SEBI Master Circular, deployment of the funds garnered in an NFO shall be made within 30 business days from the date of allotment of units.

In an exceptional case, if the AMC is not able to deploy the funds in 30 business days, reasons in writing, including details of efforts taken to deploy the funds, shall be placed before the Investment Committee.

The Investment Committee, after examining the root cause for delay may extend the timeline by 30 business days.

Change in Investment Pattern

Portfolio Rebalancing of deviation due to short term defensive consideration:

Due to market conditions, the AMC may invest beyond the range set out in the asset allocation. Such deviations shall normally be for a short term and defensive considerations in line with Paragraph 1.9.1(b) of the 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 30 calendar days from the date of such deviation.

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

Portfolio rebalancing in case of passive breach:

As per Paragraph 3.11 of SEBI Master circular and the clarifications/ guidelines issued by AMFI/ SEBI from time to time, in the event of deviation from mandated asset allocation or any prescribed regulatory limit, as maybe applicable to the scheme, passive breaches (i.e. occurrence of instances not arising out of omission and commission of AMC), shall be rebalanced within 30 business days. Where the portfolio is not rebalanced within above mentioned period, justification in writing, including details of efforts taken to rebalance the portfolio shall be placed before Investment Committee.

The Investment Committee, if so desires, can extend the timelines up to sixty (60) business days from the date of completion of mandated rebalancing period.

In case the portfolio is not rebalanced within the aforementioned mandated plus extended timelines the AMC shall comply with the prescribed restrictions, the reporting and disclosure requirements as specified in Paragraph 3.11 of the SEBI Master Circular.

B. WHERE WILL THE SCHEME INVEST?

The Scheme will invest in debt and money market securities, which include, but are not limited to:

- Debt obligations of the Government of India, state and local governments, government agencies, statutory bodies, public sector undertakings, scheduled commercial banks, non-banking finance companies, development financial institutions, corporate entities and trusts (securitised debt)
- Interest rate and credit derivatives as permitted by SEBI
- Money market securities include commercial papers, commercial bills, treasury bills, Government securities having an unexpired maturity up to one year, call or notice money, certificate of deposit, usance bills, Tri-party REPO repurchase agreement (repo), reverse repurchase agreement (rev-repo), Bills Rediscounting Scheme (BRDS) and any other like instruments as specified by the Reserve Bank of India from time to time
- Pass through, Pay through or other Participation Certificates, representing interest in a pool of assets including receivables
- Securitised Debt
- Debt instruments with SO / CE rating
- Debt Instruments with special features (AT1 and AT2 Bonds)
- Tri-party repos
- Repo of corporate debt securities
- Debt derivative instruments
- Structured Notes
- Investment in INVITS
- Units of Mutual funds as may be permitted by regulations
- Corporate Debt Market Development Fund ('CDMDF')
- other instruments/securities as may be permitted by RBI/SEBI/such other Regulatory Authority from time to time.

For Detailed definition and applicable regulations/guidelines for each instrument please refer **Section-II**

C. WHAT ARE THE INVESTMENT STRATEGIES?

The Scheme follows an active investment strategy.

The primary investment objective of the Scheme is to generate income and capital appreciation by primarily investing in debt securities issued by issuers pertaining to Financial Services sector.

The Investment Manager will invest at least 80% in debt securities across duration of Financial Services sector rated AA+ and above. Residual portion of the asset (upto 20%) can be invested in debt & money market securities of any other sector or government securities or any other fixed income securities or INVITS.

The investment strategy and duration profile of the Scheme shall be aligned with the duration profile of the Scheme's benchmark, which is currently prescribed by AMFI, and as maybe amended based on any future Tier-I benchmark prescribed by AMFI from time to time. In the event of any change in the benchmark or prescribed duration profile of the benchmark, the Investment Manager may therefore appropriately modify the Scheme's duration profile and portfolio positioning to maintain such alignment and such modification would not be a Fundamental Attribute Change.

The fixed income investment team aims to select debt & money market securities of entities in the Financial Services sector by emphasizing credit risk & interest rate risk of each such investment. Credit analysis will focus on areas such as issuer's historical and current financial condition, current and anticipated cash flow and borrowing requirements, value of assets in relation to historical cost, strength of management, responsiveness to business conditions, credit standing, future business prospects as well as current and anticipated operating results. The Investment Manager will also analyze various economic

trends in seeking to determine the likely future course of interest rates. The duration of the portfolio can vary depending on the fund management team's outlook on interest rates and yields.

Portfolio Turnover - N.A.

Trading in Derivatives

The fund is enabled to invest in derivatives. 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.

Fixed Income Derivatives

1) Interest Rates Swap

- The primary reason for engaging in an interest rate swap is to hedge the interest rate exposure

2) Interest Rate Futures (IRF)

- IRFs can be used for hedging the underlying cash positions.

3) Forward Rate Agreement (FRA)

- An FRA is an off-balance sheet agreement to pay or receive on an agreed future date, the difference between an agreed interest rate and the interest rate actually prevailing on that future date, calculated on an agreed notional principal amount.
- FRAs are purchased to hedge the interest rate risk; an investor facing uncertainty of the interest rate movements can fix the interest costs by purchasing an FRA.

For detailed derivative strategies, please refer to SAI.

Portfolio Turnover Ratio: N.A.

D. HOW WILL THE SCHEME BENCHMARK ITS PERFORMANCE?

Benchmark (Total Returns Index): Crisil Financial Services Short Term Debt Index B-II

Justification:

SEBI vide its circular had provided guiding principles for bringing uniformity in benchmarks of mutual fund schemes & accordingly introduced a two-tiered structure for benchmarking of schemes for categories of mutual fund schemes. AMFI has published the first tier benchmarks to be used by the AMCs for all open-ended debt schemes as per the PRC Matrix. Accordingly, the benchmark is selected from the benchmarks notified by AMFI for the category of scheme in line with the Scheme's PRC level/credit risk level/ Macaulay's duration (as available for the benchmark).

The Trustee may change the benchmark for any of the Schemes in future, if a benchmark better suited to the investment objective of that Scheme is available at such time, subject to the guidelines and directives issued by SEBI from time to time.

E. WHO MANAGES THE SCHEME?

Fund Manager	Age	Tenure	Qualifications	Brief Experience	Other Scheme managed
Mr. Karan Mundhra	36 Years	NA	BCOM. Chartered Accountant (CA)	Over 10 years of experience as under: From April 01, 2023 onwards- Fund manager- DSPAM From May 1, 2021 to March 31, 2023- Fund manager- DSPIM From July 2016 to April 30, 2021- Dealer, Fixed Income - DSPIM. From February 2016 to July 2016 -Manager - Fixed Income - DSPIM From April 2012 to January 2016 - Manager - Fund Accounting - DSPIM	DSP Arbitrage Fund DSP Bond Fund DSP Floater Fund DSP Low Duration Fund DSP Overnight Fund DSP Savings Fund DSP Short Term Fund DSP Ultra Short Fund DSP Liquidity Fund
Mr. Kunal Khudania	32	NA	Chartered Accountant B.Com (Honors)	8 years of experience: From July 01, 2025 to present: Fund Manager (Fixed Income) - DSP Asset Managers Private Limited From August 02, 2024 to present: Dealer (Fixed Income) - DSP Asset Managers Private Limited From April 01, 2023 to August 01, 2024: Credit Analyst - DSP Asset Managers Private Limited From August 16, 2022 to March 31, 2023: Credit Analyst - DSP Investment Managers Private Limited From March 17, 2017 to August 12, 2022 - Credit Analyst - Mirae Asset Investment Managers India Private Limited From July, 2016 to March, 2017 - Market Analyst - Futures First Info Services Private Limited	DSP Liquidity Fund DSP Credit Risk Fund DSP Strategic Bond Fund
Ms. Shalini Vasanta	37 years	NA	MBA (Finance); BA (Economics & Statistics Hons)	Over 12 years of Experience: From April 01, 2023 onwards: AVP, Fixed Income Investments - DSP Asset Managers Private Limited From Jan 2017 to March 31, 2023 -AVP, Fixed Income Investments - DSP Investment Managers Private Limited From March 2012 - December 2016: Senior Credit Analyst - ICRA Limited	DSP Liquidity Fund DSP Credit Risk Fund DSP Low Duration Fund DSP Overnight Fund DSP Savings Fund DSP Ultra Short Fund

F. HOW IS THE SCHEME DIFFERENT FROM EXISTING SCHEMES OF THE MUTUAL FUND?

List of other existing Debt schemes:

1. DSP Ultra Short Fund
2. DSP Banking & PSU Debt Fund
3. DSP 10Y G-Sec Fund
4. DSP Strategic Bond Fund
5. DSP Gilt Fund
6. DSP Credit Risk Fund
7. DSP Savings Fund
8. DSP Regular Savings Fund
9. DSP Liquidity Fund
10. DSP Bond Fund
11. DSP Short Term Fund
12. DSP Low Duration Fund
13. DSP Corporate Bond Fund
14. DSP Overnight Fund
15. DSP Floater Fund

For details please refer - <https://www.dspim.com/mandatory-disclosures/disclosures-under-offer-documents/scheme-comparison>

G. HOW HAS THE SCHEME PERFORMED

This is a new scheme and does not have any performance track record.

H. ADDITIONAL SCHEME RELATED DISCLOSURES

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

This is a new Scheme and hence this is not available.

- ii. Disclosure of name and exposure to Top 7 issuers, stocks, groups and sectors as a percentage of NAV of the scheme- **Not applicable**

- iii. Functional Website link for portfolio disclosure -Monthly/Half Yearly

This is a new Scheme and hence this is not available.

- iv. Functional website link to the respective addendums to the SID after the last update of SID:

This is a new Scheme and hence this is not applicable.

- v. Portfolio Turnover Rate - **Not applicable**

- vi. Expense ratio of underlying scheme(s): Not Applicable

- vii. Aggregate investment in the Scheme by: (Details are as on _____)

Sr. No.	Category of Persons	Net Value		Market Value (in Rs.)
	Fund Manager	Units	NAV per unit	
1	Mr. Karan Mundhra	This being a new Scheme, this is not available.		
2	Mr. Kunal Khudania			
3	Shalini Vasanta			

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

- viii. Investments of AMC in the Scheme - Sub-regulation 3(a) in Regulation 22 of SEBI (Mutual Funds) Regulations, 2026 read along with Paragraph 7.13 of SEBI Master Circular, 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, mandatory contribution in terms of units (including past and future corporate actions thereon) in the scheme already made by AMC pursuant to erstwhile regulation 28(4) and 28(5) of SEBI (MF) Regulations shall not be withdrawn.

For details of investments of AMC in the scheme (Refer link - <https://www.dspim.com/mandatory-disclosures/amcs-investments-in-schemes>)

Part III- OTHER DETAILS

A. 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:

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

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.

While determining the price of the units, the mutual fund shall ensure 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.

Ongoing price for subscription (Purchase Price) / switch-in from other schemes/ plans by investor
(This is the price you need to pay for purchase/switch-in)

The Purchase Price of the Units on an ongoing basis will be calculated as described below, which is based on the Applicable NAV

Purchase Price = Applicable NAV

Illustration:

Say, Applicable NAV = Rs. 12/-

Therefore, Purchase Price = Rs.12/-

Ongoing price for redemption (sale) /switch outs (to other Scheme/plans of the Mutual Fund)/intra-Plan switching by investors (Redemption Price)

(This is the price you will receive for redemptions/switch outs)

The Redemption Price of the Units will be calculated on the basis of the Applicable NAV subject to prevailing Exit Load, if any. In the case of Schemes which currently have no Exit Load, the Redemption Price will be the Applicable NAV. In the case of Schemes having an Exit Load or in which an Exit Load is introduced, the Redemption Price will be calculated as under:

Redemption Price = Applicable NAV x (1 - Exit Load)

Illustration:

Say, Applicable NAV = Rs. 12.0000 and the Exit Load is 0.50%,

Redemption Price = $12 \times (1 - 0.005) = \text{Rs. } 11.9400$.

Investors may note that the Trustee has the right to modify the existing Load Structure in any manner or introduce an Exit Load or a combination of Exit Load and/or any other Load subject to a maximum as prescribed under the SEBI (MF) Regulations. Should the Trustee on any date, impose or enhance any load, such imposition or enhancement shall be applicable on prospective investment only.

B. NEW FUND OFFER (NFO) EXPENSES

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

C. ANNUAL SCHEME RECURRING EXPENSES

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

This section outlines various expenses that will be borne by the Scheme. The information provided below would assist the investor in understanding the expense structure of the Scheme, types of different fees / expenses, their percentage the investor is likely to incur on purchasing and selling the Units of the Scheme.

The AMC has estimated that upto 1.85 % (BER) of the daily 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 66:

The Scheme may charge expenses within overall limits as specified in the Regulations except those expenses which are specifically prohibited.

Table 1: Limit for Base Expense ratio as prescribed under regulation 66 (7) (c) of SEBI MF regulations for other than equity oriented schemes:

Slab Rates	As a % of daily net assets as per Regulation 66 (7) (c)
on the first Rs.500 crores of the daily net assets	1.85%
on the next Rs.250 crores of the daily net assets	1.65%
on the next Rs.1,250 crores of the daily net assets	1.40%
on the next Rs.3,000 crores of the daily net assets	1.25%
on the next Rs.5,000 crores of the daily net assets	1.15%
On the next Rs.40,000 crores of the daily net assets	Expense ratio reduction of 0.05% for every increase of Rs.5,000 crores of daily net assets or part thereof
On balance of the assets	0.70%

Notes to Table:

In addition to base expenses as permissible under Regulation 66 (7) (c), the AMC may also charge the following to the Scheme under Regulation 66 (9) & 66(10):

- A mutual fund scheme may charge expenses incurred towards brokerage, for the purpose of execution of trade, over and above the base expense ratio subject to a maximum of 0.06 per cent of trade value in case of cash market transactions and 0.02 per cent of trade value in case of derivatives transactions. Expense charged towards brokerage, over and above the specified limit, shall be part of the base expense ratio limit specified under sub-regulation (7) of regulation 66.
- Transaction costs incurred for the purpose of execution of trade mean regulatory levies and any other expenses charged by the stock exchanges, clearing corporation, and clearing house, as applicable. Such transaction costs shall not form part of the base expense ratio.
- All statutory levies will be over and above the base expense ratio limits as defined in regulation 66(7).

Total Expense Ratio (TER'):

'Total expense ratio' means the ratio of total of all expenses charged to the investors of the scheme to the total asset under management of the scheme, as may be specified by SEBI.

As per Regulation 67(1), the total of all expenses charged to the investors of the scheme, shall be total of expense charged within the base limit specified under sub-regulation 7 of regulation 66, brokerage cost permitted under sub-regulation 9 of regulation 66, transaction cost incurred for the purpose of execution of trade as referred under sub-regulation 10 of regulation 66, and statutory levies charged to the investors.

Statutory Levy: "statutory levy" means levy imposed by state government and central government.

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 Paragraph 11.3 of Master Circular.

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 42, 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.

Disclosure of Total Expense Ratio:

In accordance with Paragraph 11.2 of the SEBI Master Circular, the AMC shall prominently disclose TER on daily basis on the website www.dspim.com and on website of AMFI

Change in Base Expense Ratio ('BER'):

In accordance with Paragraph 11.4 of the SEBI Master Circular, changes in the BER (i.e. expenses as provided in Regulation 66(7) of SEBI (Mutual Funds) Regulations, 2026) in comparison to previous BER 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 BER shall be updated on the website at least three working days prior to effecting such change Provided that the prior intimation/notice shall not be required for any increase or decrease in BER due to change in AUM and any decrease in BER due to various regulatory requirements.

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:

Expense Head	% of daily net assets
Investment Management and Advisory Fee	Upto 1.85%
Audit fees/fees and expenses of trustees*	
Custodian fees	
Registrar & Transfer Agent Fees including cost of providing account statements / IDCW / redemption cheques/ warrants	
Marketing and selling expenses including fees, commission and charges towards distribution of mutual fund schemes	
Cost related to investor communications	
Cost of fund transfer from location to location	
Cost towards investor education, awareness and financial inclusion (as per applicable rates in force) ^^^	
brokerage cost incurred towards execution of trades in addition to limits prescribed in regulation 66(9)	
Costs of statutory advertisements;	
Other Expenses (such other expenses as may be specified or approved by the Board)	
Maximum Base Expense Ratio (BER) permissible under Regulation 66 (7) (c)	Upto 1.85%
Statutory levies (including GST) on all expenses	As per rates in force
Brokerage Cost for trade execution as per regulation 66(9)	At actuals
Transaction Cost for trade execution as per regulation 66(10)	At actuals

*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.

^^^ Additional incentives to distributors

As per Paragraph 11.6 of master circular HO/24/13/11(1)2026-IMD-POD-1/I/7602/2026 dated March 20, 2026, effective March 1, 2026 additional incentives to distributors for onboarding new individual investors from B-30 cities and women investors shall be paid from amount mandated to be set apart annually by AMCs for investor education, awareness and financial inclusion initiatives, subject to adequate claw back provisions as per the terms and condition as mentioned therein. For detailed methodology for determination of additional incentive, please refer SAI.

Expense Structure for Direct Plan

Direct Plan will have lower expense ratio than Regular Plan of the Scheme. The expenses under Direct Plan shall exclude the distribution and commission expenses. All fees and expenses charged in a direct plan (in percentage terms) under various heads including the investment and advisory fee shall not exceed the fees and expenses charged under such heads in a Regular Plan.

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.

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

Particulars	Regular Plan	Direct Plan
Amount invested at the beginning of the year (₹)	10,000	10,000
Annual income accrued to the scheme (₹)	1,000	1,000
Expenses other than Distribution expenses (₹)	75	75
Distribution expenses (₹)	25	-
Returns after expenses at the end of the year (₹)	900	925
Returns after expenses at the end of the year (in %)	9.00%	9.25%

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

D. LOAD STRUCTURE

Exit Load is an amount which is paid by the investor to redeem the units from the scheme. Load amounts are variable and are subject to change from time to time. For the current applicable structure, please refer to the website of the AMC (www.dspim.com) or may call at (toll free no. 1800 208 4499 or 1800 200 4499) or your distributor.

Type of Load	Load chargeable (as %age of NAV)
Exit Load (as a % of Applicable NAV)	Nil

Note on load exemptions:

1. There will be no Exit Load on inter-option switching.
2. No load will be charged on issue of bonus Units and Units allotted on reinvestment of IDCW for existing as well as prospective investors.
3. No exit load shall be levied in case of switch of investments from Direct Plan to Regular Plan and vice versa

Investors may note that the Trustee has the right to modify exit load subject to a maximum as prescribed under the SEBI (MF) Regulations. Any imposition or enhancement in the load shall be applicable on prospective investments only. At the time of changing the load structure, the AMC shall consider the following measures to avoid complaints from investors about investment in the Scheme without knowing the loads:

- (i) Addendum detailing the changes will be attached to the SID and Key Information Memorandum (KIM). The addendum may be circulated to all the distributors/brokers so that the same can be attached to all SIDs and KIMs already in stock.
- (ii) Arrangements will be made to display the addendum to the SID in the form of an addenda in all the ISCs/offices of the AMC/Registrar.
- (iii) The introduction of the Exit Load along with the details may be stamped in the acknowledgement slip issued to the investors on submission of the application form and will also be disclosed in the statement of accounts issued after the introduction of such load.

Investors are requested to check the prevailing load structure of the Schemes before investing.

Exit load charged shall be credited to the scheme. The GST on exit load shall be paid out of the exit load proceeds and exit load net of GST shall be credited to the concerned scheme.

Section II

I. Introduction

A. Definitions/interpretation

Business Day/Working Day	A day other than (i) Saturday and Sunday, (ii) a day on which the Reserve Bank of India or banks in Mumbai remains closed, (iii) a day on which there is no Reserve Bank of India clearing/settlement of securities, (iv) a day on which money markets are closed /not accessible and (v) a day on which the Sale and Redemption of Units are suspended.
Custodian	Citibank N. A., acting as custodian to the Scheme, or any other Custodian who is approved by the Trustee.
DSPFSDF/ Scheme/The Scheme	DSP Financial Services Sectoral Debt Fund
NRI	Non Resident Indian.
PIO	Person of Indian Origin.
Scheme Information Document/SID	This document issued by DSP Mutual Fund, offering Units of DSP Financial Services Sectoral Debt Fund.

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

ABBREVIATIONS & INTERPRETATIONS

In this SID, the following abbreviations have been used:

AMC:	Asset Management Company	MBS:	Mortgaged Backed Securities
AMFI :	Association of Mutual Funds in India	MFSS:	Mutual Fund Service System
AML:	Anti-Money Laundering	MFU:	MF Utilities India Private Limited
ABS:	Asset Backed Securities	NAV:	Net Asset Value
ASBA:	Application Supported by Blocked Amount	NEFT:	National Electronic Funds Transfer
AOP:	Association of Person	NFO:	New Fund Offer
BSE:	BSE Limited	NRI:	Non-Resident Indian
BSE StAR MF:	BSE Stock Exchange Platform for Allotment and Repurchase of Mutual Funds	NRE:	Non Resident External
CAS:	Consolidated Account Statement	NRO:	Non Resident Ordinary
CAMS:	Computer Age Management Services Limited	NSE / National Stock Exchange:	National Stock Exchange of India Limited
CDSL:	Central Depository Services (India) Limited	NSDL:	National Securities Depository Limited
DFI:	Development Financial Institutions	OTC:	Over the Counter
DP:	Depository Participant	OTM:	One Time Mandate
ECS:	Electronic Clearing System	POA:	Power of Attorney
EFT:	Electronic Funds Transfer	PIO:	Person of Indian Origin
FPI:	Foreign Portfolio Investor	PMLA:	Prevention of Money Laundering Act, 2002
FRA:	Forward Rate Agreement	POS:	Points of Service
FIRC:	Foreign Inward Remittance Certificate	PSU:	Public Sector Undertaking
FOF:	Fund of Funds	RBI:	Reserve Bank of India
FPI:	Foreign Portfolio Investor	REITs:	Real Estate Investment Trusts
FATCA:	Foreign Account Tax Compliance Act	RTGS:	Real Time Gross Settlement
Flex STP:	Flex Systematic Transfer Plan	SEBI:	Securities and Exchange Board of India

HUF:	Hindu Undivided Family	SI:	Standing Instructions
IDCW:	Income Distribution cum Capital Withdrawal	SIP:	Systematic Investment Plan
IMA:	Investment Management Agreement	SWP:	Systematic Withdrawal Plan
InvITs:	Infrastructure Investment Trusts Investment Trusts	STP:	Systematic Transfer Plan
IRS:	Interest Rate Swap	STT:	Securities Transaction Tax
ISC:	Investor Service Centre	SCSB:	Self Certified Syndicate Bank
KYC:	Know Your Customer	SLR:	Statutory Liquidity Ratio
LTV:	Loan to Value Ratio	UBO:	Ultimate Beneficial Ownership
TREPS:	Tri-party REPOs	Value STP :	Value Systematic Transfer Plan

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.” 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) times and references to a day are to a calendar day including non-Business Day.

B. Risk factors

Scheme specific risk factors Risk Factors associated with investments in Debt Securities and Money Market Securities

Price-Risk or Interest-Rate Risk:

Fixed income securities such as bonds, debentures and money market instruments run price-risk or interest-rate risk. Generally, when interest rates rise, prices of existing fixed income 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, certain debt securities may be 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. Duration risk refers to the movement in price of the invested debt instruments due to change in interest rates over different durations of maturity of instruments. Duration of portfolio is expressed in years and should be used as a measure of the sensitivity of the fixed income instrument to a change in interest rates. A longer portfolio duration is associated with greater price fluctuations. A rise in interest rates could normally lead to decrease in prices and generally negatively affects portfolios having longer duration vis-a-vis portfolios having shorter duration. A fall in interest rate generally benefits portfolio having longer duration. A longer duration portfolio is also generally associated with greater volatility vis-a-vis a shorter duration portfolio.

- **Term Structure of Interest Rates (TSIR) Risk:** The Net Asset Value (NAV) of the Scheme(s), to the extent invested in Debt and Money Market securities, will be affected by changes in the general level of interest rates. The NAV of the Scheme(s) is expected to increase from a fall in interest rates while it would be adversely affected by an increase in the level of interest rates.

- **Credit Risk:** Investments in Debt Securities are subject to the risk of an issuer's inability to meet interest and principal payments on its obligations and market perception of the creditworthiness of the issuer. Different types of securities in which the Scheme would invest as given in the SID carry different levels of credit risk. Accordingly, the Scheme' risk may increase or decrease depending upon their investment patterns. E.g., corporate bonds carry a higher amount of risk than Government securities. Further, even among corporate bonds, bonds which are rated AAA are comparatively less risky than bonds which are AA rated. Investments in money market instruments involve credit risk commensurate with short term rating of the issuers.

- **Rating Migration Risk:** Fixed income securities are exposed to rating migration risk, which could impact the price on account of change in the credit rating. For example: One notch downgrade of a AAA rated issuer to AA+ will have an adverse impact on the price of the security and vice-versa for an upgrade of a AA+ issuer.

Liquidity or Marketability Risk:

This refers to the ease with which a security can be purchased or 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. The liquidity of investments made in the Scheme may be restricted by trading volumes besides operational issues like settlement periods and transfer procedures. Different segments of the Indian financial markets have different settlement processes & periods and such periods may be extended significantly by unforeseen circumstances. There have been times in the past, when settlements have been unable to keep pace with the volume of securities transactions, making it difficult to conduct further transactions. Delays or other problems in settlement of transactions could result in temporary periods when the assets of the Scheme are not invested and no return is earned thereon. The inability of the Scheme to make intended securities purchases or sale could cause the Scheme to miss certain investment opportunities due to the absence of a well-developed and liquid secondary market for debt securities which would result at times, in potential underperformance in the Scheme.

Reinvestment Risk:

This risk refers to the interest rate levels at which cash flows received from the securities in the Scheme are reinvested. Investments in fixed income securities may carry reinvestment risk as the cash flows received may get invested at a lower rate of interest prevailing on the date of investment of cash flows viz. interest or redemptions received during the tenure of the scheme.

- **Pre-payment Risk:** Certain fixed income securities 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 from zero coupon securities:** As zero coupon securities do not provide periodic interest payments to the holder of the security, these securities are more sensitive to changes in interest rates. Therefore, the interest rate risk of zero coupon securities is higher. The AMC may choose to invest in zero coupon securities that offer attractive yields. This may increase the risk of the portfolio.

Risk associated with floating rate securities:

To the extent the Scheme' investments are in floating rate debt instruments or fixed debt instruments swapped for floating rate return, they will be affected by:

a) **Interest rate movement (Basis Risk)** - Coupon rates on floating rate securities are reset periodically in line with the benchmark index movement. Normally, the interest rate risk inherent in a floating rate instrument is limited compared to a fixed rate instrument. Changes in the prevailing level of interest rates will likely affect the value of the Scheme' holdings until the next reset date and thus the value of the Scheme' Units. The value of securities held by the Scheme generally will vary inversely with changes in prevailing interest rates. The Mutual Fund could be exposed to interest rate risk (i) to the extent of time gap in the resetting of the benchmark rates, and (ii) to the extent the benchmark index fails to capture interest rate changes appropriately;

b) **Spread Movement (Spread Risk)** - Though the basis (i.e. benchmark) gets readjusted on a regular basis, the spread (i.e. markup) over benchmark remains constant. This can result in some volatility to the holding period return of floating rate instruments;

c) **Settlement Risk (Counterparty Risk)** - Specific floating rate assets may also be created by swapping a fixed return into a floating rate return. In such a swap, there is the risk that the counterparty (who will pay floating rate return and receive fixed rate return) may default;

d) **Liquidity Risk:** The market for floating rate securities is still in its evolutionary stage and therefore may render the market illiquid from time to time, for such securities that the Scheme are invested in.

Risk factors associated with investments in debt instruments having Structured Obligations / Credit Enhancements:

The Scheme may invest in debt instruments having credit enhancement (backed by assets such as equity shares/real estate or backed by payment mechanisms such as guarantees/ escrows of identified revenue streams). Typically, in such instruments, the profile of the underlying issuer tends to be relatively weaker. The risks with such credit enhanced structures include inability to sell and realize the collateral due to sharp price moves of the underlying collateral values, erosion in collateral values, and illiquidity of collateral. There is a possibility of the guarantor or underlying issuer going insolvent which also can impact the recovery value of exposure. These instruments are typically less liquid in the secondary market which is an additional risk factor. In case of complex payment mechanisms, these may be challenged in legal courts by the unsecured creditors in case of bankruptcy of the underlying obligors which may result in delays or defaults in payments

Risk factors associated with Investment in special feature bonds:

The scheme may invest in special feature bonds as permissible by the SEBI & scheme offer documents, which may be subordinate to the equity and thus may carry high credit risk and risk of capital loss. Some Tier 2 bonds issued by the banks under the Basel III norms may have such special features.

Risk factors associated with investments in Perpetual Debt Instrument (PDI)

Perpetual Debt instruments are issued by Banks, NBFCs and corporates to improve their capital profile. Some of the PDIs issued by Banks which are governed by the RBI guidelines for Basel III Capital Regulations are referred to as Additional Tier I (AT1 bonds). While there are no regulatory guidelines for issuance of PDIs by corporate bodies, NBFCs issue these bonds as per guidelines issued by RBI. The instruments are treated as perpetual in nature as there is no fixed maturity date. The key risks associated with these instruments are highlighted below:

- i. Risk on coupon servicing:
 - a. Banks: As per the terms of the instruments, Banks have discretion at all times to cancel distributions/ payment of coupons.
 - b. NBFCs: While NBFCs have discretion at all times to cancel payment of coupon, coupon can also be deferred (instead of being cancelled), in case paying the coupon leads to breach of capital ratios.
 - c. Corporates: Corporates usually have discretion to defer the payment of coupon. However, the coupon is usually cumulative and any deferred coupon shall accrue interest at the original coupon rate of the PDI.
- ii. Risk of write-down or conversion into equity:

Banks: As per current RBI guidelines, banks have to maintain a Common Equity Tier-1 (CET1) ratio of minimum 5.5% of Risk Weighted Assets (RWAs), failing which the AT-1 bonds can get written down. Further, AT-1 Bonds are liable to be written down or converted to common equity, at the discretion of RBI, in the event of Point of Non Viability Trigger (PONV). PONV is a point, determined by RBI, when a bank is deemed to have become non-viable unless there is a write off/ conversion to equity of AT-1 Bonds or a public sector capital injection happens. The write off/conversion has to occur prior to public sector injection of capital. This risk is not applicable in case of NBFCs and Corporates
- iii. Risk of instrument not being called by the Issuer:
 - a. Banks: The issuing banks have an option to call back the instrument after minimum period of 5 years from the date of issuance and typically annually thereafter, subject to meeting the RBI guidelines. However, if the bank does not exercise the call on first call date, the Scheme may have to hold the instruments for a period beyond the first call exercise date.
 - b. NBFCs: The NBFC issuer has an option to call back the instrument after minimum period of 10 years from date of issuance and typically annually thereafter, subject to meeting the RBI guidelines. However, if the NBFC does not exercise the call option the Scheme may have to hold the instruments for a period beyond the first call exercise date.
 - c. Corporates: There is no minimum period for call date. However, if the corporate does not exercise the call option, the Scheme may have to hold the instruments for a period beyond the call exercise date
- iv. Risk of rating downgrades: The Rating agencies, which rate the instruments, have a slightly different rating methodology for these Instruments compared to plain vanilla bonds. In the event of 34 deterioration of the financial health of the Issuer or due to other reasons, the rating of the Perpetual Debt Instruments may be downgraded whilst the ratings of other bonds issued by the issuer may remain constant. In such a scenario, Perpetual Debt Instrument holders may incur losses on their investment
- v. Liquidity risk: There may be no active market for the Perpetual Debt Instruments on the platform of the Stock Exchanges. As a result, the liquidity and market prices of the Perpetual Debt Instruments may fail to develop and may accordingly be adversely affected. There is no assurance that a trading market for the Perpetual Debt Instruments will exist and no

assurance as to the liquidity of any trading market. The liquidity and market prices of the Perpetual Debt Instruments can be expected to vary with changes in market and economic conditions, financial condition and prospects and other factors that generally influence market price of such instruments. Such fluctuations may significantly affect the liquidity and market price of these Instruments, which may trade at a discount to the price at which one purchases these instruments.

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 associated with investments in repo of corporate debt securities

In repo transactions, also known as a repo or sale repurchase agreement, securities are sold with the seller agreeing to buy them back at later date. The repurchase price should be greater than the original sale price, the difference effectively representing interest. A repo is economically similar to a secured loan, with the buyer receiving corporate debt securities as collateral to protect against default. The Scheme may invest in repo of corporate debt securities which are subject to the following risks

- i. Counterparty Risk: This refers to the inability of the seller to meet the obligation to buy back securities at the contracted price. The Investment Manager will endeavour to manage counterparty risk by dealing only with counterparties having strong credit profiles assessed through in-house credit analysis or with entities regulated by SEBI/RBI/IRDA
- ii. Collateral Risk: In the event of default by the repo counterparty, the scheme have recourse to the corporate debt securities. Collateral risk arises when the market value of the securities is inadequate to meet the repo obligations. This risk is mitigated by restricting participation in repo transactions only in AA and above rated money market and corporate debt securities. In addition, appropriate haircuts are applied on the market value of the underlying securities to adjust for the illiquidity and interest rate risk on the underlying instrument.

Risks associated with segregated portfolio:

- i. Investor holding units of segregated portfolio may not able to liquidate their holding till the time recovery of money from the issuer.
- ii. Security comprises of segregated portfolio may not realise any or desired value.
- iii. Listing of units of segregated portfolio in recognised stock exchange does not necessarily guarantee their liquidity. There may not be active trading of units in the stock market. Further trading price of units on the stock market may be significantly lower than the prevailing NAV

Risks associated with investments in Securitized Assets:

A securitization transaction involves sale of receivables by the originator (a bank, non-banking finance company, housing finance company, or a manufacturing/service company) to a Special Purpose Vehicle (SPV), typically set up in the form of a trust. Investors are issued rated Pass Through Certificates (PTCs), the proceeds of which are paid as consideration to the originator. In this manner, the originator, by selling his loan receivables to an SPV, receives consideration from investors much before the maturity of the underlying loans. Investors are paid from the collections of the underlying loans from borrowers. Typically, the transaction is provided with a limited amount of credit enhancement (as stipulated by the rating agency for a target rating), which provides protection to investors against defaults by the underlying borrowers.

Some of the risk factors typically analyzed for any securitization transaction are as follows:

Risks associated with asset class: Underlying assets in securitised debt may assume different forms and the general types of receivables include commercial vehicles, auto finance, credit cards, home loans or any such receipts. Credit risks relating to these types of receivables depend upon various factors including macro-economic factors of these industries and economies. Specific factors like nature and adequacy of collateral securing these receivables, adequacy of documentation in case of auto finance and home loans and intentions and credit profile of the borrower influence the risks relating to the asset borrowings underlying the securitised debt.

Risks associated with pool characteristics:

(a) Size of the loan: This generally indicates the kind of assets financed with loans. While a pool of loan assets comprising of smaller individual loans provides diversification, if there is excessive reliance on very small ticket size, it may result in difficult and costly recoveries.

(b) Loan to Value Ratio: This Indicates how much percentage value of the asset is financed by borrower's own equity. The lower LTV, the better it is. This ratio stems from the principle that where the borrowers own contribution of the asset cost is high, the chances of default are lower. To illustrate for a Truck costing Rs. 20 lakhs, if the borrower has himself contributed Rs.10 lakhs and has taken only Rs. 10 lakhs as a loan, he is going to have lesser propensity to default as he would lose an asset worth Rs. 20 lakhs if he defaults in repaying an instalment. This is as against a borrower who may meet only Rs. 2 lakhs out of his own equity for a truck costing Rs. 20 lakhs. Between the two scenarios given above, the later would have higher risk of default than the former.

(c) Original maturity of loans and average seasoning of the pool: Original maturity indicates the original repayment period and whether the loan tenors are in line with industry averages and borrower's repayment capacity. Average seasoning indicates whether borrowers have already displayed repayment discipline. To illustrate, in the case of a personal loans, if a pool of assets consists of those who have already repaid 80% of the installments without default, this certainly is a superior asset pool than one where only 10% of installments have been paid. In the former case, the portfolio has already demonstrated that the repayment discipline is far higher.

(d) Default rate distribution: This indicates how much % of the pool and overall portfolio of the originator is current, how much is in 0-30 DPD (days past due), 30-60 DPD, 60-90 DPD and so on. The rationale here is very obvious, as against 0-30 DPD, the 60-90 DPD is certainly a higher risk category.

Credit Rating and Adequacy of Credit Enhancement: Unlike in plain vanilla instruments, in securitisation transactions, it is possible to work towards a target credit rating, which could be much higher than the originator's own credit rating. This is possible through a mechanism called "Credit enhancement". The process of "Credit enhancement" is fulfilled by filtering the underlying asset classes and applying selection criteria, which further diminishes the risks inherent for a particular asset class. The purpose of credit enhancement is to ensure timely payment to the investors, if the actual collection from the pool of receivables for a given period is short of the contractual payout on securitisation. Securitisation is normally non-recourse instruments and therefore, the repayment on securitisation would have to come from the underlying assets and the credit enhancement. Therefore, the rating criteria centrally focus on the quality of the underlying assets.

The Scheme will predominantly invest in those securitisation issuances which have AA+ and above rating indicating high level of safety from credit risk point of view at the time of making an investment. However, there is no assurance by the rating agency either that the rating will remain at the same level for any given period of time or that the rating will not be lowered or withdrawn entirely by the rating agency.

- **Limited Liquidity & Price Risk:** Presently, the secondary market for securitised papers is not very liquid. There is no assurance that a deep secondary market will develop for such securities. This could limit the ability of the investor to resell them. Even if a secondary market develops and sales were to take place,

these secondary transactions may be at a discount to the initial issue price due to changes in the interest rate structure.

Limited Recourse to Originator & Delinquency: Securitised transactions are normally backed by pool of receivables and credit enhancement as stipulated by the rating agency, which differ from issue to issue. The Credit Enhancement stipulated represents a limited loss cover to the Investors. These Certificates represent an undivided beneficial interest in the underlying receivables and there is no obligation of either the Issuer or the seller or the originator, or the parent or any affiliate of the seller, issuer and originator. No financial recourse is available to the Certificate Holders against the Investors' Representative. Delinquencies and credit losses may cause depletion of the amount available under the credit enhancement and thereby the investor payouts may get affected if the amount available in the credit enhancement facility is not enough to cover the shortfall. On persistent default of an obligor to repay his obligation, the servicer may repossess and sell the underlying Asset. However, many factors may affect, delay or prevent the repossession of such asset or the length of time required to realize the sale proceeds on such sales. In addition, the price at which such asset may be sold may be lower than the amount due from that Obligor.

Risks due to possible prepayments: Weighted Tenor / Yield: Asset securitisation is a process whereby commercial or consumer credits are packaged and sold in the form of financial instruments. Full prepayment of underlying loan contract may arise under any of the following circumstances;

- a. Obligor pays the receivable due from him at any time prior to the scheduled maturity date of that receivable; or
- b. Receivable is required to be repurchased by the seller consequent to its inability to rectify a material misrepresentation with respect to that Receivable; or
- c. The servicer recognizing a contract as a defaulted contract and hence repossessing the underlying asset and selling the same.
- d. In the event of prepayments, investors may be exposed to changes in tenor and yield.

Bankruptcy of the Originator or Seller: If originator becomes subject to bankruptcy proceedings and the court in the bankruptcy proceedings concludes that the sale from originator to trust was not a sale then an Investor could experience losses or delays in the payments due. All possible care is generally taken in structuring the transaction so as to minimize the risk of the sale to Trust not being construed as a 'True Sale'. Legal opinion is normally obtained to the effect that the assignment of Receivables to Trust in trust for and for the benefit of the Investors, as envisaged herein, would constitute a true sale.

Bankruptcy of the Investor's Agent: If Investor's agent, becomes subject to bankruptcy proceedings and the court in the bankruptcy proceedings concludes that the recourse of Investor's Agent to the assets/receivables is not in its capacity as agent/Trustee but in its personal capacity, then an Investor could experience losses or delays in the payments due under the agreement. All possible care is normally taken in structuring the transaction and drafting the underlying documents so as to provide that the assets/receivables if and when held by Investor's Agent is held as agent and in Trust for the Investors and shall not form part of the personal assets of Investor's Agent. Legal opinion is normally obtained to the effect that the Investors Agent's recourse to assets/receivables is restricted in its capacity as agent and trustee and not in its personal capacity.

Risk of co-mingling: The servicers normally deposit all payments received from the obligors into the collection account. However, there could be a time gap between collection by a servicer and depositing the same into the collection account especially considering that some of the collections may be in the form of cash. In this interim period, collections from the loan agreements may not be segregated from other funds of the servicer. If the servicer fails to remit such funds due to Investors, the Investors may be exposed to a potential loss. Due care is normally taken to ensure that the Servicer enjoys highest credit rating on standalone basis to minimize co-mingling risk.

Risks relating to tax incidence on securitization Special Purpose Vehicles: In October 2011, the income tax authorities issued a claim on certain securitisation SPVs, stating that the gross income of such SPVs was liable to tax. The matter is presently under sub judice with the Bombay High Court. Several industry participants approached the Ministry of Finance (MoF) to seek clarity and reinforce the "pass through" status of a securitisation SPV. The Finance Bill, 2013, has sought to clarify the tax position by stating that securitisation SPVs are not liable to pay income tax. However, any tax incidence on gross income of SPVs could result in dilution of payouts to investors.

Risks Associated with fixed income Derivatives: The Scheme may invest in fixed income derivatives for swap of fixed rate debt instruments swapped to floating rate or floating rate debt instruments swapped to fixed rate, hedging and portfolio rebalancing or any other purposes as may be permitted under regulatory guidelines. The Scheme may use derivative instruments like Interest Rate Swaps, Forward

Rate Agreements or other derivative as may be permitted by SEBI / RBI / such other Regulatory Authority from time to time.

The use of derivatives may expose the Scheme to a higher degree of risk. In particular, derivative contracts can be highly volatile, and the amount of initial margin is generally small relative to the size of the contract so that transactions may be leveraged in terms of market exposure. A relatively small market movement may have a potentially larger impact on derivatives than on standard bonds or equities. Leveraged derivative positions can therefore increase Scheme volatility.

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. Derivatives require the maintenance of adequate controls to monitor the transactions and the embedded market risks that they add to the portfolio. Besides the price of the underlying asset, the volatility, tenor and interest rates affect the pricing of derivatives. Identification and execution of the strategies to be pursued involve uncertainty and decision of the Investment Manager may not always be profitable. No assurance can be given that the Investment Manager will be able to identify or execute such strategies.

Other risks in using derivatives include but are not limited to:

- a) Counterparty Risk - this occurs when a counterparty fails to abide by its contractual obligations and therefore, the Schemes are compelled to negotiate with another counter party, at the then prevailing (possibly unfavourable) market price. For exchange traded derivatives, the risk is mitigated as the exchange provides the guaranteed settlement but one takes the performance risk on the exchange
- b) Market Liquidity risk - this occurs where the derivatives cannot be transacted due to limited trading volumes and/or the transaction is completed with a severe price impact.
- c) Model Risk - the risk of mispricing or improper valuation of derivatives
- d) Basis Risk arises due to a difference in the price movement of the derivative vis-à-vis that of the security being hedged

Risk factors with respect to imperfect hedging using interest rate futures:

An Interest Rate Futures is an agreement to buy or sell a debt instrument at a specified future date at a price that is fixed today. Interest Rate Futures are Exchange traded. These future contracts are cash settled.

Perfect Hedging means hedging the underlying using IRF contract of same underlying.

Imperfect hedging means the underlying being hedged and the IRF contract has correlation of closing prices of more than 90%.

In case of imperfect hedging, the portfolio can be a mix of:

- i. Corporate Bonds and Government securities or
- ii. Only Corporate debt securities
- iii. Only government securities with different maturities

Risk associated with imperfect hedging includes:

Basis Risk: The risk arises when the price movements in derivative instrument used to hedge the underlying assets does not match the price movements of the underlying assets being hedged. Such difference may potentially amplify the gains or losses, thus adding risk to the position.

Price Risk: The risk of mispricing or improper valuation and the inability of derivatives to correlate perfectly with underlying assets, rates and indices.

Risk of mismatch between the instruments: The risk arises if there is a mismatch between the prices movements in derivative instrument used to hedge, compared to the price movement of the underlying assets being hedged. For example when IRF which has government security as underlying is used, to hedge a portfolio that contains corporate debt securities.

Correlation weakening and consequent risk of regulatory breach: SEBI Regulation mandates minimum correlation criterion of 0.9 (calculated on a 90 day basis) between the portfolio being hedged and the derivative instrument used for hedging. In cases where the correlation falls below 0.9, a rebalancing period of 5 working days has been permitted. Inability to satisfy this requirement to restore the correlation level to the stipulated level, within the stipulated period, due to difficulties in rebalancing would lead to a lapse of the exemption in gross exposure computation. The entire derivative exposure would then need to be included in gross exposure, which may result in gross exposure in excess of 100% of net asset value.

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 investment manager to identify such opportunities. Identification and execution of the strategies to be pursued by the investment manager involve uncertainty and decision of investment manager may not always be profitable. No assurance can be given that the investment 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.

Risks associated with Investments InvITs

The Scheme may invest a part of its assets in units issued by Infrastructure Investment Trusts (“InvITs”), subject to the investment objective, asset allocation pattern, applicable SEBI limits and the investment restrictions stated in the Scheme Information Document. InvITs are investment vehicles that hold, directly or through special purpose vehicles, infrastructure assets such as roads, highways, power transmission assets, pipelines, renewable energy assets or other eligible infrastructure projects. Accordingly, investment in InvIT units carries risks that are different from investments in listed equity shares, debt securities or money market instruments.

- i. **Market Risk:** InvITs are volatile and prone to price fluctuations daily owing to market movements. The NAV of the Scheme is vulnerable to movements in the prices of securities invested by the scheme, due to various market related factors like changes in the general market conditions, factors and forces affecting capital market, level of interest rates, trading volumes, settlement periods and transfer procedures. The scheme will undertake active portfolio management as per the investment objective to reduce the marker risk.
- ii. **Liquidity Risk:** As the liquidity of the investments made by the Scheme(s) could, at times, be restricted by trading volumes and settlement periods, the time taken by the Mutual Fund for liquidating the investments in the scheme may be high in the event of immediate redemption requirement. Investment in such securities may lead to increase in the scheme portfolio risk. The fund will try to maintain a proper asset-liability match to ensure redemption payments are made on time and not affected by illiquidity of the underlying units.
- iii. **Reinvestment Risk:** Investments in InvITs may carry reinvestment risk as there could be repatriation of funds by the Trusts in form of buyback of units or dividend pay-outs, etc. Consequently, the proceeds may get invested in assets providing lower returns. However, the reinvestment risk will be limited as the proceeds are expected to be a small portion of the portfolio value.
- iv. **Risk of lower-than-expected distributions:** The distributions by the InvIT will be based on the net cash flows available for distribution. The amount of cash available for distribution principally depends upon the amount of cash that the INVIT receives as dividend or the interest and principal payments from portfolio assets. The cash flows generated by portfolio assets from operations may fluctuate based on, among other things
 - a. Economic viability of tenants and success of off-takers
 - b. Economic cycles and inherent business risk negatively impacting valuations, returns and profitability of assets
 - c. Force majeure events such as earthquakes, floods etc. rendering the assets inoperable
 - d. Fluctuations in the working capital & Debt service requirements and other liabilities of the portfolio assets
 - e. Ability to borrow funds and access capital markets
 - f. Changes in applicable laws and regulations, which may restrict the payment of IDCW
 - g. Capital expenditures on portfolio assets
 - h. Restrictive Insurance policies not providing adequate protection against various risks natural disasters, accidents, etc.

The above are some of the common risks associated with investments in InvITs. There can be no assurance that a Scheme’s investment objectives will be achieved, or that there will be no loss of capital. Investment results may vary substantially on a monthly, quarterly or annual basis.

Risks associated with investment in Sectoral / thematic fund:

A sectoral debt scheme focused on financial services will seek to invest in debt and money market instruments issued by entities within the financial services sector, including but not limited to banks, NBFCs, housing finance companies, and other financial institutions. Investors should note that the performance of such issuers is closely linked to factors such as interest rate movements, liquidity conditions, regulatory changes, and the overall health of the financial system. Adverse developments in these areas may impact the credit quality, liquidity, and valuation of the underlying instruments. Further, as the Scheme's investments will be concentrated within the financial services sector, it will have limited diversification across sectors, thereby increasing concentration risk. Any stress or disruption within the financial services sector could have a disproportionate impact on the Scheme's portfolio. Consequently, the Scheme may be subject to relatively higher credit risk, spread risk, and liquidity risk, and may exhibit higher volatility compared to diversified debt schemes.

Backstop facility in form of investment in Corporate Debt Market Development Fund (CDMDF):

CDMDF is set up as a scheme of the Trust registered as an Alternative Investment Fund ('AIF') in accordance with the SEBI (Alternative Investment Funds) Regulations, 2012 ("AIF Regulations"). The objective of the CDMDF is to help to develop the corporate debt market by providing backstop facility to instill confidence amongst the market participants in the corporate debt/bond market during times of market dislocation and to enhance the secondary market liquidity. In times of market dislocation, CDMDF shall purchase and hold eligible corporate debt securities from the participating investors (i.e., specified debt-oriented MF schemes to begin with) and sell as markets recover. The CDMDF will thus act as a key enabler for facilitating liquidity in the corporate debt market and to respond quickly in times of market dislocation. The trigger and period for which the backstop facility will be open shall be as decided by SEBI. Thus this backstop facility will help fund managers of the scheme of DSP Mutual Fund to better generate liquidity during market dislocation to help the scheme fulfill liquidity obligations under stress situation.

In accordance with the requirement of regulation 40 of SEBI (Mutual Funds) Regulations, 2026 read with Paragraph 18.2.2.(b) of the SEBI Master Circular, the scheme shall invest 25 bps of its AUM in the units of the Corporate Debt Market Development Fund ('CDMDF'). An incremental contribution to CDMDF shall be made every six months to ensure 25 bps of scheme AUM is invested in units of CDMDF. However, if AUM decreases there shall be no return or redemption from CDMDF. Contribution made to CDMDF, including the appreciations on the same, if any, shall be locked-in till winding up of the CDMDF. We would further like to bring to the notice of the investors that pursuant to Paragraph 18.2.3.(e) of SEBI Master circular & any other circulars/ guidelines/ letters issued by SEBI / AMFI from time to time, the calculations of Potential Risk Class (PRC) Matrix, asset allocation limits, Risk-o-meter, Stress testing and Duration for various purposes shall be done after excluding investments in units of CDMDF wherever applicable. Additionally, the investments in CDMDF units shall not be considered as violation while considering maturity restriction as applicable for various purposes.

Investors are requested to read details disclosure on investment of the schemes in the CDMDF as listed in sub-section "C. How will the Scheme allocate its assets?" And sub-section "D. Where will the Scheme Invest?" in Section "Section II- Information about the scheme".

Risk associated with principles of efficient portfolio management:

The Scheme may use models, techniques and instruments for efficient portfolio management and may also attempt to hedge or reduce the risk. The Scheme's ability to use these techniques may be limited by market conditions, regulatory limits and tax considerations (if any). The use of these techniques is further dependent on the ability to predict movements in the prices of securities being hedged and movements in macro variables such as interest rates. There exists an imperfect correlation between the hedging instruments and the securities or market sectors being hedged. Thus due to mentioned bottleneck these techniques and instruments if imperfectly used have the risk of the Scheme incurring losses due to mismatches particularly in a volatile market. There could be possible absence of a liquid market for any particular instrument at any particular time even though the futures and options may be bought and sold on an exchange.

Further the returns from the types of securities or assets 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.

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 investors are requested to consult their tax counsel for detail understanding of the tax laws and the risk factor associated with such tax laws.

RISK MITIGATION STRATEGIES

Risks associated with Debt Securities and Money Market Securities:

i. **Market Liquidity Risk:** The Scheme may be exposed to liquidity risk arising from its ability to meet redemption obligations and other commitments in a timely manner, particularly during periods of market stress or reduced secondary market activity. The liquidity risk will be managed and/or sought to be addressed by creating a portfolio which has adequate access to liquidity. The Investment Manager shall adopt prudent liquidity management practices consistent with the principles of sound portfolio management.

Accordingly, the Scheme shall endeavour to maintain adequate liquidity by investing in high-quality and liquid instruments, including but not limited to cash and cash equivalents, TREPs/Repo, and debt and money market securities such as AAA-rated bonds and A1+ rated short-term instruments issued by entities with strong liquidity profiles.

The Investment Manager shall continuously monitor the liquidity profile of the portfolio, taking into account the factors such as market depth, concentration, investor profile, and prevailing market conditions, and shall take appropriate measures to ensure that the Scheme is able to meet its liquidity requirements without materially impacting investor interests.

ii. **Credit Risk:** Credit Risk associated with fixed income securities (including and not limited to instruments having structured obligations, credit enhancements, special features or are unrated) will be managed by making investments in securities issued by borrowers post detailed credit review internally. The credit research process includes a detailed in-house analysis and due diligence where limits are assigned for each of the issuer (other than government of India) for the amount as well as maximum permissible tenor. The credit process ensures that issuer limits are reviewed periodically by taking into consideration the financial statements and operating strength of the issuer.

iii. **Rating Migration Risk:** The endeavor is to invest in well researched issuers. The due diligence performed by the fixed income team before assigning credit limits and the periodic credit review and monitoring should help keep the rating migration risk low for company-specific issues

iv. **Interest Rate Risk:** The investment managers will endeavor to keep the duration within the permissible limit as defined by the scheme document and based on the investment objectives.

v. **Re-investment Risk:** The Investment Manager will endeavor that besides the tactical and/or strategic interest rate calls, the portfolio is fully invested

vi. **Term Structure of Interest Rates (TSIR) Risk:** The Scheme is expected to have duration based on the investment objective and limits defined in the scheme documents. Depending on the nature of the scheme, the Term Structure of Interest Rates (TSIR) Risk cannot be eliminated and it exists as a primary feature of the scheme.

Risks associated with fixed income Derivative investments:

Investment managers will ensure adherence to the limits and the guidelines as issued by SEBI / RBI and as mentioned in the scheme offer document from time to time for forward rate agreements and interest rate swaps and other fixed income derivative products.

Risks associated with Investments in InvITs:

The Investment Manager endeavors to invest in InvITs, where adequate due diligence and research has been performed by the Investment Manager. The Investment Manager also relies on its own research as well as third party research. This involves one-to-one meetings with the managements, attending conferences and analyst meets and also tele-conferences. The analysis will focus, amongst others, on

the predictability and strength of cash flows, value of assets, capital structure, business prospects, policy environment, strength of management, responsiveness to business conditions, etc.

Risks associated with favourable taxation of certain Scheme: Investment Manager regular monitor's investment thresholds of Scheme of the Fund house to ensure compliance with the relevant tax laws & regulation.

Risk associated with investments in repo of corporate debt securities: The Investment Manager will endeavour to manage counterparty risk in corporate debt repos by dealing only with counterparties having strong credit profiles or through tri-party corporate repos done on the exchange platforms. The collateral risk is mitigated by restricting participation in repo transactions only in AA and above rated money market and corporate debt securities, where potential for downgrade/default is low. In addition, appropriate haircuts are applied on the market value of the underlying securities to adjust for the illiquidity and interest rate risk on the underlying instruments.

Potential Risk Matrix (PRC) & Risk-o-meter: Investors are requested to review this scheme's Potential Risk Matrix (PRC) to understand the maximum risk that this scheme will run as per design and & Risk-o-meter to understand periodical measurement of that risk on a regular basis. Investor are suggested to read about various disclosures under the section "C.PERIODIC DISCLOSURES" pertaining to "Compliance with Potential Risk Class Matrix norms" & "Risk-o-meter" to understand in detail the disclosure frequency and remedial measures in case of breaches in the boundaries.

Mandatory Liquidity requirement: DSP mutual fund scheme adopts the Liquidity Risk Management framework mandated by SEBI and AMFI which helps estimates liquidity requirement by determining liquidity risk arising from the liability side and tries to covers all potential liquidity risk scenarios up to agreed confidence interval and has mandated remedial measures both for managing the risk on an ongoing basis (LRR & LCRaR) as well as action plan in case there is a difference between actual outcome and projected outcome. Investors can refer to the AMFI circular dated November 13, 2024 and subsequent circulars for detail understanding on the Liquidity Risk Management Framework.

Further Investment manager also evaluates and monitors the Asset Liability Mismatch (ALM) which addresses the gap in the estimated potential liquidity requirement over a 90-day period and schemes investment / assets liquidity to meet the potential requirement and best ensures that scheme has necessary liquidity to meets its liability obligations.

Stress testing the scheme portfolio: The investment manager periodically stress test the scheme portfolio to addresses the asset side risk from an Interest Rate, Credit and Liquidity Risk perspective at an aggregate portfolio level and evaluate the stress in terms of its impact on the NAV of the scheme. The stress test is performed using the methodology and periodicity as mandated by AMFI in consultation to SEBI

Swing Pricing:

The Investment Manager has a Swing Pricing framework in place for open ended debt schemes to address situations of severe liquidity stress at an AMC level, reversal of scheme wind up decision in future post announcement, or a severe dysfunction at market level. The Swing Pricing offers the contingency plan in case of extreme exigencies. Investors are suggested to read the detailed disclosure pertaining to this policy in "Swing Pricing Framework" under section Section IX(D)(2)of Statement of Additional Information (SAI). It is to be noted that in case of applicability of the swing pricing the realization of the redemption proceeds would be subject to swing factor applicable for the investor's transaction.

II. Information about the scheme:

A. Where will the scheme invest

Detailed description of the instruments (including overview of debt markets in India, if applicable) mentioned in Section I

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.
Derivatives	Derivatives are financial contracts of pre-determined fixed duration, whose values are derived from the value of an underlying primary financial instrument, commodity or index, such as: interest rates, exchange rates, commodities, and equities.
Money Market Instruments	Commercial papers, commercial bills, treasury bills, Government securities having an unexpired maturity up to one year, call or notice money, certificate of deposit, usance bills, and any other like instruments having maturity upto 1 year
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.
InvIT	InvIT of Infrastructure Investment Trust is a trust registered with SEBI to carry out the activity prescribed under SEBI (Infrastructure Investment Trusts) Regulations, 2014. An InvIT raises funds by issuing units to investors and invests those funds primarily in assets in infrastructure sector. The investment in such assets can be made directly or through SPV/Holding Company by the InvIT. Investors who hold units in an InvIT are called unit holders. The income generated from the underlying assets of the InvIT are regularly distributed to the unit holders.
AT1 Bonds	Additional Tier 1 (AT1) bonds are a type of perpetual bonds. Banks use these bonds to increase their core equity base. AT1 bonds never mature, implying that the bond issuers will never repay the principal. However, banks pay regular interest. But, if the bank's capital ratio falls below a specific percentage or if the bank is making losses, the interest payments can be skipped. AT1 bonds offer higher returns than ordinary bonds. However, they do not have a maturity date.
AT2 Bonds	Banks issue Subordinated Tier 2 bonds to meet their Tier 2 capital requirements. These have to be for a minimum period of 5 years at the time of issue. They are unsecured and subordinated in claims to depositors, unsecured creditors and senior bonds of the bank. Bank Tier 2 bonds do not have Put Option and only have a Call Option (option for early repayment) which the bank can exercise after minimum of 5 years and after approval from Reserve Bank of India (RBI). The most important difference of Bank Tier 2 bonds from Bank senior bonds is its loss absorption feature. If a bank is approaching or has approached a point of non-viability (PONV), then RBI can write off the principal amount outstanding on Tier 2 bonds.
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.
Debt instruments with SO/CE Rating	Debt instruments with Structured Obligation (SO) or Credit Enhancement (CE) ratings are bonds or loans that have been enhanced with additional credit support to reduce default risk. SO ratings indicate that the instrument's creditworthiness is improved through structural mechanisms like collateral, guarantees, or insurance. CE ratings signify that external support, such as a third-party guarantee or letter of credit, bolsters the instrument's credit profile. These enhancements provide greater security to investors, often resulting in higher credit ratings and lower interest rates compared to non-enhanced debt instruments.

Corporate Debt Market Development Fund (CDMDF)	The Corporate Debt Market Development Fund (CDMDF) is an initiative aimed at enhancing liquidity and stability in the corporate debt market. It provides a backstop facility to support the secondary market for corporate bonds, ensuring that there is sufficient demand and reducing the impact of market disruptions. The fund is typically backed by contributions from market participants and, in some cases, government support. By improving market confidence and encouraging more investment in corporate bonds, the CDMDF helps develop a more robust and resilient corporate debt market.
Usance Bills	A usance bill, also known as a time draft or usance draft, is a type of bill of exchange that allows the buyer a specific period, known as the usance period, to pay the seller after receiving the goods or services. This financial instrument provides the buyer with a credit period, facilitating smoother cash flow and working capital management.
Interest Rate Swaps	An interest rate swap (IRS) is a derivative contract where two parties exchange interest payments based on a notional amount. One party typically pays a fixed rate, while the other pays a floating rate pegged to a benchmark. IRS help manage interest rate risk or speculate on future rate movements.
Forward Rate Agreement	A forward rate agreement (FRA) is a short-term interest rate locking mechanism. Two parties agree on a fixed rate for a future loan or deposit, protecting them from interest rate changes. The difference between the agreed rate and the market rate at settlement is settled in cash, making FRAs a popular hedging tool in the OTC market.
Interest Rate Derivatives	Interest rate derivatives are contracts linked to future interest rate movements. Used for hedging or speculation, they allow parties to lock in rates (e.g., swaps) or bet on rate changes (e.g., options). Common types include interest rate swaps, forward rate agreements, and options. These are complex instruments with risks, requiring careful understanding and risk management.
Zero Coupon Bonds	A zero-coupon bond is a type of debt security that does not pay periodic interest (coupons). Instead, it is issued at a significant discount to its face value and matures at its full face value. Return from the bond is the difference between the purchase price and the amount received at maturity.
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.
Corporate Debt	Corporate debt refers to bonds or other forms of debt securities issued by companies to raise capital. Investors lend money to the corporation in exchange for periodic interest payments and the return of the principal amount at maturity. This type of debt is used by companies to fund operations, expansions, or other financial needs.
Debt Obligations of Government of India	Debt obligations of the Government of India include financial instruments like Government Bonds (G-Secs), Treasury Bills (T-Bills), Savings Bonds, and Sovereign Gold Bonds (SGBs). These instruments are issued to finance government expenditures and manage monetary policy, offering varying maturities and interest rates. G-Secs are long-term securities with semi-annual interest payments, while T-Bills are short-term, issued at a discount. These debt obligations are considered low-risk investments due to government backing, providing stable returns and portfolio diversification.

Debt Obligations of State Government of India	Debt obligations of State Governments of India primarily include State Development Loans (SDLs). SDLs are bonds issued by state governments to finance their budgetary needs and developmental projects. These bonds have varying maturities, typically ranging from 1 to 10 years, and offer fixed interest payments. SDLs are considered relatively safe investments, as they are backed by the state governments' revenues and, to some extent, the central government.
Debt Obligations of Local Governments of India	Debt obligations of local governments in India, such as municipal bonds, are financial instruments issued by urban local bodies (ULBs) to fund infrastructure projects and other development activities. These bonds typically offer fixed interest payments and have varying maturities.
Participation certificates	Participation Certificates, including pass-through and pay-through certificates, represent an investor's interest in a pool of assets such as receivables. Pass-through certificates directly pass the principal and interest payments from the asset pool to investors, minus servicing fees. Pay-through certificates restructure these cash flows before passing them to investors, allowing for different tranches with varied risk and return profiles. These instruments offer investors exposure to the underlying assets' cash flows, providing diversification and potentially attractive returns.
Units of Mutual Funds	Units of mutual funds represent an investor's share in a mutual fund scheme. When investors buy mutual fund units, they pool their money with other investors to collectively invest in a diversified portfolio of assets such as stocks, bonds, or other securities. Each unit reflects the proportionate ownership of the fund's assets. The value of these units, known as the Net Asset Value (NAV), fluctuates based on the performance of the underlying assets.
Securitised debt	Securitised debt refers to financial instruments created through the process of securitisation, where various types of receivables or loans (such as mortgages, auto loans, or credit card debt) are pooled together and transformed into tradable securities. These securities, often in the form of bonds or notes, are then sold to investors. Securitised debt instruments allow issuers to convert illiquid assets into liquid funds and provide investors with access to diversified income streams backed by the underlying assets. Common forms include mortgage-backed securities (MBS) and asset-backed securities (ABS).
Structured Notes	Structured Notes are hybrid financial instruments that combine traditional debt securities with derivative components to offer customized investment solutions. These notes typically pay a return based on the performance of an underlying asset, index, or benchmark, such as stocks, commodities, interest rates, or currencies. Structured notes are designed to meet specific investment objectives, providing features like principal protection, enhanced yields, or leverage. While they can offer attractive returns and tailored risk exposure, they also carry higher complexity and risk compared to traditional fixed-income securities, making them suitable for more sophisticated investors.
Bills re-discounting	Bills re-discounting is a financial practice where banks purchase bills of exchange from other financial institutions at a discounted rate, providing immediate liquidity to the selling institution. This transaction allows banks to manage their short-term liquidity needs efficiently, as they can convert their assets into cash before their maturity dates.
Fixed Income Securities of domestic Government agencies and statutory bodies	Fixed income securities issued by domestic government agencies and statutory bodies are debt instruments that provide regular interest payments and return the principal amount at maturity. These securities are typically considered low-risk investments due to the backing of government-related entities. Examples include bonds issued by public sector undertakings (PSUs), municipal bonds, and securities from other government-affiliated organizations.

Commercial Papers	Commercial Papers (CPs) are short-term, unsecured debt instruments issued by corporations, financial institutions, and other large entities to meet their immediate funding needs, such as working capital requirements. Typically issued at a discount to face value and with maturities ranging from a few days to one year, CPs offer investors a relatively safe, liquid investment option with competitive returns compared to other short-term instruments. Due to their short maturity periods, CPs are often used by companies as a cost-effective alternative to bank loans for short-term financing needs.
Commercial Bills	Commercial Bills are short-term, negotiable financial instruments used in trade finance, representing a written order from one party (the drawer) to another (the drawee) to pay a specified amount to the bearer or a named party (the payee) at a future date. They are commonly used by businesses to finance their working capital needs by enabling the seller of goods to receive immediate payment, while the buyer gets a credit period to make the payment. These bills can be discounted with banks or financial institutions before maturity, providing liquidity to the holder. They play a crucial role in facilitating trade transactions and managing short-term funding requirements.
Certificate of deposit	A Certificate of Deposit (CD) is a short- to medium-term, interest-bearing deposit instrument issued by banks and financial institutions to individuals or corporations. CDs have a fixed maturity date, typically ranging from a few months to several years, and offer a fixed interest rate higher than regular savings accounts. They are negotiable and can be traded in the secondary market before maturity. CDs provide a low-risk investment option for investors seeking predictable returns, as they are generally insured and backed by the issuing institution's creditworthiness.
Coupon bearing bonds	Coupon-bearing bonds are debt securities that pay periodic interest payments, known as coupons, to bondholders based on a fixed or variable interest rate. These bonds have a predetermined maturity date, at which the issuer repays the principal amount to the bondholder. The coupon rate is typically stated as a percentage of the bond's face value and determines the amount of interest paid to the bondholder at each coupon payment date. They are commonly issued by governments, municipalities, corporations, and other entities to raise capital for various projects and operations.
State development loan (SDL)	State development loan (SDL) is a bond issued by a state government to fund its various developmental projects and infrastructure initiatives
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.

Concept of Macaulay Duration

In the bond market, securities are commonly referred to by their maturities. While this is a useful benchmark, it is deficient, because it measures only when the final cash flow is paid and ignores all of the interim flows.

Duration was first described by Frederick Macaulay in 1938. In the last 50 years, it has become one of the most commonly used tools for fixed income portfolio managers.

Macaulay's duration of a fixed income security is the weighted average life of the security, where weights are given to present value of each cashflows. It is a measure of sensitivity to interest rate changes i.e. it relates the percent change in the price of a cash flow to the percent change in the yield to maturity.

Fixed income securities with higher duration have higher interest rate sensitivity i.e. the changes in price of higher duration bonds are higher as compared to lower duration ones. A zero coupon bond is one

which does not pay any interest and all payments are received at maturity. For a zero coupon bond, the duration is same as residual maturity.

The formula for Macaulay's Duration is as follows:

$$\text{Macaulay's Duration} = \frac{t_1 * \frac{CF_1}{(1+r_1)^{t_1}} + t_2 * \frac{CF_2}{(1+r_2)^{t_2}} + t_3 * \frac{CF_3}{(1+r_3)^{t_3}} + \dots + t_n * \frac{CF_n}{(1+r_n)^{t_n}}}{\frac{CF_1}{(1+r_1)^{t_1}} + \frac{CF_2}{(1+r_2)^{t_2}} + \frac{CF_3}{(1+r_3)^{t_3}} + \dots + \frac{CF_n}{(1+r_n)^{t_n}}}$$

In other words, Macaulay's Duration can be expressed as:

$$\text{Macaulay's Duration} = \frac{\sum_{i=1}^n t_i * \frac{CF_i}{(1+r_i)^{t_i}}}{\sum_{i=1}^n \frac{CF_i}{(1+r_i)^{t_i}}}$$

Please note that the denominator is also the formula for Present Value of cash flows of a security i.e. Price of the Bond.

where t_i is time in years at point i
 CF_i is the Cash Flow at time, t_i
 r_i is the interest rate used for discounting cash flow at time, t_i

Another measure of interest rate risk for securities and other interest bearing instruments is Modified Duration. With a slight modification, Macaulay's Duration is converted into Modified Duration; it provides a good estimate of the volatility or sensitivity of the market value of a bond portfolio to changes in interest rates. The formula for Modified Duration is:

$$\text{Modified Duration} = \frac{\text{Macaulay's Duration}}{[1 + \frac{YTM}{n}]}$$

where,
 YTM = Yield to maturity
 n = number of cash flows in a year

$$\text{Change in Price of Bond} = -\text{Modified Duration} * 1bp$$

Modified Duration assumes that the price changes are linear with respect to changes in the yield to maturity. However, the true relationship between the bond's price and the yield to maturity is not linear.

Investment in units of schemes of own/other Mutual Fund

The Scheme may invest in other Schemes managed by the AMC or in the Schemes of any other Mutual Fund(s), provided such investment is in conformity to the investment objectives of the Scheme and in terms of the prevailing Regulations. As per the Regulations, no investment management fees will be charged for such investments and the aggregate inter-scheme investment made by all Schemes of the Mutual Fund or in the Scheme under the management of other asset management companies shall not exceed 5% of the net asset value of the Mutual Fund.

Inter scheme asset transfer

Transfer of investments from one Scheme to another Scheme in the Mutual Fund shall be allowed as per guidelines prescribed under Paragraph 13.19 of the SEBI Master Circular and amendments made from time to time. Further, Paragraph 10.13 of the SEBI Master Circular, has prescribed the methodology for determination of price to be considered for inter-scheme transfers.

Investment in Short-Term Deposits

Pending deployment of the funds of the Scheme shall be in terms of Paragraph 13.7 of the SEBI Master Circular, the AMC may invest funds of the Scheme in short term deposits of scheduled commercial banks, subject to following conditions:

1. The term 'short term' for parking of funds shall be treated as a period not exceeding 91 days.
2. Such deposits shall be held in the name of the Scheme.
3. The Scheme shall not park more than 15% of its 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.
4. The Scheme shall not park more than 10% of its net assets in short term deposit(s) with any one scheduled commercial bank including its subsidiaries.
5. The Trustee/AMC shall ensure that the funds of the Scheme are not parked in the short term deposits of a bank which has invested in that Scheme.
6. AMC will not charge any investment management and advisory fees for parking of funds in short term deposits of scheduled commercial banks.
7. The Trustee/AMC 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.

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

Investment in Domestic Securitized Debt

Depending upon the Investment Manager's views, the Schemes may invest in domestic securitized debt such as ABS or MBS. The investments in domestic securitized debt will be made only after giving due consideration to factors such as but not limited to the securitization structure, quality of underlying receivables, credentials of the servicing agent, level of credit enhancement, liquidity factor, returns provided by the securitized paper vis-a-vis other comparable investment alternatives.

Although the returns provided by securitized debt could be higher, one must not lose sight of the fact that risks also exist with regard to investments in securitized debt. Investments in pass-through certificates of a securitization transaction represent an undivided beneficial interest in the underlying receivables and do not represent an obligation of either the issuer or the seller, or the parent of the seller, or any affiliate of the seller or the issuer or the trustee in its personal capacity, save to the extent of credit enhancement to be provided by the credit enhancer. The trust's principal asset will be the pool of underlying receivables. The ability of the trust to meet its obligations will be dependent on the receipt and transfer to the designated account of collections made by the servicing agent from the pool, the amount available in the cash collateral account, and any other amounts received by the trust pursuant to the terms of the transaction documents. However, the credit enhancement stipulated in a securitization transaction represents a limited loss cover only.

Delinquencies and credit losses may cause depletion of the amount available under the cash collateral account and thereby the scheduled payouts to the investors may get affected if the amount available in the cash collateral account is not enough to cover the shortfall.

Further Unit holders are requested to refer below the disclosure relating to investments in securitized debt, in the SEBI prescribed format:

(i) How the risk profile of securitized debt fits into the risk appetite of the scheme

The scheme seeks to generate an attractive return, consistent with prudent risk, from a portfolio which is substantially constituted of quality debt securities. The scheme also seeks to generate capital appreciation by investing a smaller portion of its corpus in equity and equity related securities of issuers domiciled in India.

In line with the investment objective, securitised debt instruments having a high credit quality commensurate with other debt instruments in the portfolio and in line with internal fund manager guidelines will be considered for investment.

(ii) Policy relating to originators based on nature of originator, track record, NPAs, losses in earlier securitized debt, etc

The parameters used to evaluate originators are

- Track record
- Willingness to pay, through credit enhancement facilities etc.
- Ability to pay
- Business risk assessment, wherein following factors are considered:
 - Outlook for the economy (domestic and global)
 - Outlook for the industry
 - Company specific factors

In addition, a detailed review and assessment of rating rationale is done including interactions with the originator as well as rating agency.

Critical Evaluation Parameters (for pool loan) regarding the originator / underlying issuer:

- Default track record/ frequent alteration of redemption conditions / covenants
- High leverage ratios of the ultimate borrower - both on a standalone basis as well on a consolidated level/ group level
- Higher proportion of re-schedulement of underlying assets of the pool or loan, as the case may be
- Higher proportion of overdue assets of the pool or the underlying loan, as the case may be
- Poor reputation in market
- Insufficient track record of servicing of the pool or the loan, as the case may be.

(iii) Risk mitigation strategies for investments with each kind of originator

Analysis of originator: Dedicated credit research analysts, analyses and evaluates each originator and sets up limits specifying both the maximum quantum and maximum tenor for investments and investments are considered only within these limits.

Originator analysis typically encompasses:

- Size and reach of the originator
- Collection process, infrastructure and follow-up mechanism
- Quality of MIS
- Credit enhancement for different type of originator

(iv) The level of diversification with respect to the underlying assets, and risk mitigation measures for less diversified investments

Eligible assets: Only assets with an established track record of low delinquencies and high credit quality over several business cycles will be considered for investment.

Analysis of pool: Characteristics such as average pool maturity (in months), average loan to value ratio, average seasoning of the pool, maximum single exposure, geographical distribution and average single exposure are studied to determine pool quality

Risk mitigating measures: Credit enhancement facilities (including cash, guarantees, excess interest spread, subordinate tranches), liquidity facilities and payment structure are studied in relation to historical collection and default behavior of the asset class to ensure adequacy of credit enhancement in a stress scenario.

(v) Minimum retention period of the debt by originator prior to securitization

We will follow the guidelines on minimum holding period requirements as laid down by SEBI and RBI from time to time.

(vi) Minimum retention percentage by originator of debts to be securitized

We will follow the guidelines on minimum holding period requirements as laid down by SEBI and RBI from time to time.

(vii) The mechanism to tackle conflict of interest when the Mutual Fund invests in securitized debt of an originator and the originator in turn makes investments in that particular scheme of the Fund

The AMC has a rigorous credit due diligence process for all fixed income investments, which also encompasses securitized debt. A dedicated team of credit analysts is responsible for credit research and surveillance.

(viii) The resources and mechanism of individual risk assessment with the AMC for monitoring investment in securitized debt

The AMC has a rigorous risk management process for all fixed income investments, which also encompasses securitized debt. Dedicated credit research analysts are responsible for monitoring risks including credit and liquidity risk. The functions of the team include:

- Detailed credit analysis of issuers: based on the management evaluation, operating strength and financial strength to determine suitability for investment. Periodic reviews on a quarterly/annual basis are under taken for eligible issuers. Ratings are monitored on a daily basis and any changes are immediately recorded and suitable action taken.

For securitized pool loan exposures, the analysis includes pool seasoning, pool asset quality, diversification, collateral margin, originator analysis and credit enhancement mechanisms. Pool performance statistics published by rating agencies are analyzed for performance of other securitised pools of the same originator as well as for the performance of the asset class as a whole. Regular interactions with the rating agencies are done to discuss performance trends. Documents are vetted by the legal and compliance team. In addition, monthly payout reports from the trustees are analysed for collection performance and adequacy of cash collateral.

Framework that is applied while evaluating investment decision relating to a pool securitization transaction:

Characteristics / Type of Pool	Mortgage Loan	Commercial Vehicle and Construction Equipment	CAR	2 wheelers	Others
Approximate Average maturity (in Months)	In line with average maturity of mortgage loans as per industry norms. Typically less than 10 years.	In line with average maturity of Commercial Vehicle and Construction Equipment loans as per industry norms. Typically less than 4 years.	In line with average maturity of car loans as per industry norms. Typically less than 4 years.	In line with average maturity of two-wheeler loans as per industry norms. Typically less than 4 years.	In line with average maturity of the asset class as per industry norms.

Characteristic s / Type of Pool	Mortgage Loan	Commercial Vehicle and Construction Equipment	CAR	2 wheelers	Others
Collateral margin (including cash, guarantees, excess interest spread, subordinate tranche)	The collateral margin will be adequate for the pool to achieve a rating in the high safety category at the time of initial rating. The collateral margin will ensure at least a 3 times cover over historical losses observed in the asset class.	The collateral margin will be adequate for the pool to achieve a rating in the high safety category at the time of initial rating. The collateral margin will ensure at least a 3 times cover over historical losses observed in the asset class.	The collateral margin will be adequate for the pool to achieve a rating in the high safety category at the time of initial rating. The collateral margin will ensure at least a 3 times cover over historical losses observed in the asset class.	The collateral margin will be adequate for the pool to achieve a rating in the high safety category at the time of initial rating. The collateral margin will ensure at least a 3 times cover over historical losses observed in the asset class.	The collateral margin will be adequate for the pool to achieve a rating in the high safety category at the time of initial rating. The collateral margin will ensure at least a 3 times cover over historical losses observed in the asset class.
Average Loan to Value Ratio	In line with average Loan to Value ratio of mortgage loans as per industry norms. Typically less than 80 per cent.	In line with average Loan to Value ratio of Commercial Vehicle and Construction Equipment loans as per industry norms. Typically less than 85 per cent.	In line with average Loan to Value ratio of car loans as per industry norms. Typically less than 85 per cent.	In line with average Loan to Value ratio of two-wheeler loans as per industry norms. Typically less than 85 per cent.	In line with average Loan to Value ratio of the asset class loans as per industry norms.
Average seasoning of the Pool	In line with industry norms and guidelines laid down by RBI/SEBI from time to time. Typically, more than 3 months	In line with industry norms and guidelines laid down by RBI/SEBI from time to time. Typically, more than 3 months	In line with industry norms and guidelines laid down by RBI/SEBI from time to time. Typically, more than 3 months	In line with industry norms and guidelines laid down by RBI/SEBI from time to time. Typically, more than 3 months	In line with industry norms and guidelines laid down by RBI/SEBI from time to time.
Maximum single exposure range	Not more than 10%	Not more than 10%	Not more than 10%	Not more than 10%	Not more than 10%
Average single exposure range %	Not more than 10%	Not more than 10%	Not more than 10%	Not more than 10%	Not more than 10%

Characteristics / Type of Pool	Mortgage Loan	Commercial Vehicle and Construction Equipment	CAR	2 wheelers	Others
*Kindly note that all references to single loan securitization has been removed as securitization of single corporate loans are no longer envisaged under revised RBI guidelines on securitization					

Investments in derivatives

SEBI has permitted all the mutual funds to participate in the derivatives trading subject to observance of guidelines issued by SEBI in this behalf. Pursuant to this, the mutual funds may use various derivative and hedging products from time to time, as would be available and permitted by SEBI, in an attempt to protect the value of the portfolio and enhance Unit holders' interest.

Derivatives are financial contracts of pre-determined fixed duration, whose values are derived from the value of an underlying primary financial instrument, commodity or index, such as interest rates, exchange rates, commodities, and equities.

The fixed Income derivative market has made considerable progress in last two years. Interest rate swaps have become an integral part of Risk Management practice for most banks. Corporate Treasury have issued Innovative instruments like floating rate debt and constant maturity swaps.

1. Interest Rate Swap (IRS)

Any swap is effectively an exchange of one set of cash-flows for another considered to be of equal value. If the exchange of cash flows is linked to interest rates, it becomes an interest rate swap.

An interest rate swap is an agreement between two parties to exchange future payment streams based on a notional amount. Only the interest on the notional amount is swapped, and the principal amount is never exchanged.

In a typical interest rate swap, one party agrees to pay a fixed rate over the term of the agreement and to receive a variable or floating rate of interest. The counterparty receives a stream of fixed rate payments at regular intervals as described in the agreement and pays the floating rate of interest. A fixed/ floating interest rate swap is characterized by:

1. Fixed interest rate;
2. Variable or floating interest rate, which is periodically reset;
3. Notional principal amount upon which total interest payments are based; and
4. The terms of the agreement, including a schedule of interest rate reset dates, payment dates and termination date.

The primary reason for engaging in an interest rate swap is to hedge the interest rate exposure. An illustration could be an institution having long-term fixed rate assets (longer tenor securities receiving fixed rate) in a rising interest rate environment; it can hedge the interest rate exposure by purchasing an interest rate swap where the institution receives floating interest rate and pays fixed rate. In this case, an interest rate swap is likely to reduce the duration and interest rate volatility of the fund.

Example:

Terms:

Fixed Interest Rate : 8.50% p.a.
Variable Interest Rate : NSE Over-Night MIBOR reset daily and compounded daily
Notional Principal Amount: Rs.100 Crore
Period of Agreement : 1 year
Payment Frequency : Semi-annual

Now, suppose the six-month period from the effective date of the swap to the first payment date comprises 182 days and the daily compounded NSE Over-Night MIBOR is 8.15% p.a. on the first payment date, then the fixed and variable rate payment on the first payment date would be as follows:

Fixed rate payment:

Rs. 4,23,83,562 = (Rs.100,00,00,000) x (8.50%) x (182 Days / 365 Days)

Variable rate payment:

Rs. 4,06,38,356 = (Rs.100,00,00,000) x (8.15%) x (182 Days / 365 Days)

Often, a swap agreement will call for only the exchange of net amount between the counterparties. In the above example, the fixed-rate payer will pay the variable-rate payer a net amount of Rs. 17,45,205 = Rs. 4,23,83,562 - Rs. 4,06,38,356.

The second and final payment will depend on the daily NSE MIBOR compounded daily for the remaining 183 days. The fixed rate payment will also change to reflect the change in holding period from 182 days to 183 days.

2. Forward Rate Agreement (FRA)

An FRA is an off balance sheet agreement to pay or receive on an agreed future date, the difference between an agreed interest rate and the interest rate actually prevailing on that future date, calculated on an agreed notional principal amount. It is settled against the actual interest rate prevailing at the beginning of the period to which it relates rather than paid as a gross amount.

An FRA is referred to by the beginning and end dates of the period covered. Thus a 5x8 FRA is one that covers a 3-month period beginning in 5-months and ending in 8-months. FRAs are purchased to hedge the interest rate risk; an investor facing uncertainty of the interest rate movements can fix the interest costs by purchasing an FRA.

An illustration could be a corporation having floating rate debt linked to an index such as say, 3-Month MIBOR. If the existing interest cost is at 8% on Rs.100 Crore for the next three months, the corporation can purchase a 3x6 FRA @ 8.1% on Rs.100 Crore and fix the interest cost for the 3-6 months period. If the actual 3-Month MIBOR after 3-months is at 8.25%, the corporation has saved 15 bps in interest cost. As the settlement is done at the beginning of the period, the savings in interest expense are discounted to a present value using a 3-month rate to calculate the actual settlement amount.

The flows for the institution will be, as follows:

Interest Savings = Rs. 100 Crore * 15 bps * 92/365
(assuming 92 days in the 3 month FRA period and 365 days in the conventional year)

= Rs.3,78,082.19

Settlement Amount = Rs.3,78,082.19 / (1+8.25%*92/365)

Please note that the above examples are hypothetical in nature and the figures are assumed.

3. Interest Rate Futures

An Interest Rate Futures ('IRF') contract is "an agreement to buy or sell a debt instrument at a specified future date at a price that is fixed today." The underlying security for Interest Rate Futures is either Government Bond or T-Bill. Interest Rate Futures are Exchange traded and standardized contracts based on 6 year, 10 year and 13 year Government of India Security and 91-day Government of India Treasury Bill (91DTB). These future contracts are cash settled. These instruments can be used for hedging the underlying cash positions.

The overall gross exposure for a fund is computed as sum of exposure to equity, cash, debt instruments and derivatives (other than for hedging purposes) and it should not be more than 100%. Derivative position is considered to be for hedging purposes only if the following conditions are met:

1. **Perfect Hedging** - We hedge the underlying using IRF contract of same underlying
2. **Imperfect hedging** - the Underlying being hedged and the IRF contract has a 90 day correlation of closing prices of more than 90%. In case of correlation breaking at any time the derivative position would be counted as an exposure. SEBI allows maximum of 20% imperfect hedging.

For example, assume a portfolio comprising the following structure:

Security	Amount (crs)	Price (Rs)
IGB 6.79% 2027	100	100.40
IGB 6.79% 2029	50	98.35
IGB 7.72% 2025	25	104.55
Cash	25	

Total	200	
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Assuming the fund manager intends to hedge the portfolio using IRF and uses contracts on IGB 6.79% 2027 as it is most liquid.

Maximum imperfect hedging allowed, based on SEBI limit of 20% for the above fund is $200 \times 20\% = 40$ crs

Maximum perfect hedging using 6.79% 2027 is 100 crs (as amount of 6.79% 2027 in the fund is 100 crs)

Total hedge the fund can do = 100 crs + 40 crs = 140 crs

Assuming the 90 day historical correlation between the instruments in the portfolio are as follows

90 day historical correlation	IGB 6.79% 2027	IGB 6.79% 2029	IGB 7.72% 2025
IGB 6.79% 2027	1	0.95	0.80
IGB 6.79% 2029	0.95	1	0.75
IGB 7.72% 2025	0.80	0.75	1

Given that we are using IRF on 6.79% 2027, we can hedge 6.79% 2029 using IRFs as correlation is more than 90% upto 40 crs (based on the 20% limit of imperfect hedging).

Since one contract of IRF has a notional of Rs. 2 lakhs, in this example the fund manager sells Rs. 140 crores/2 lakhs = 7000 contracts, to hedge his position.

Hence after hedging the fund is as shown below:

Security	Amount (crs)	Price (Rs)	Comments
IGB 6.79% 2027	100	100.40	100% hedged - Perfect hedging
IGB 6.79% 2029	50	98.35	40% hedged - Imperfect hedging
IGB 7.72% 2025	25	104.55	Unhedged
Cash	25		Unhedged
IRF 6.79% 2027	140	100.35	
Total	200		

At maturity of the Interest Rate Futures

Case 1: bonds close higher than at the time the hedge was entered into

Security	Amount (crs)	Price before hedging(Rs)	Price on maturity of hedge (Rs)	Gain	Net Gain (lakhs)
IGB 6.79% 2027	100	100.4	100.5	0.1	10.00
IGB 6.79% 2029	50	98.35	98.5	0.15	7.50
IGB 7.72% 2025	25	104.55	104.6	0.05	1.25
Cash	25				-
Without IRF					18.75
IRF 6.79% 2027	140	100.35	100.5	-0.15	(21.00)
Total With IRF	200				(2.25)

Case 2: bonds close lower than at the time the hedge was entered into

Security	Amount (crs)	Price before hedging	Price on maturity of hedge (Rs)	Gain	Net Gain (lakhs)
IGB 6.79% 2027	100	100.4	100.3	-0.1	(10.00)
IGB 6.79% 2029	50	98.35	98.23	-0.12	(6.00)
IGB 7.72% 2025	25	104.55	104.5	-0.05	(1.25)

Cash	25				-
Without IRF					(17.25)
IRF 6.79% 2027	140	100.35	100.3	0.05	7.00
Total with IRF	200				(10.25)

As can be seen in the cases above, in case yields move higher, IRFs help in reducing the loss to the fund.

With respect to investments made in derivative instruments, the Scheme shall comply with the following exposure limits in line with Paragraph 13.18 of the SEBI Master Circular:

1. As per Paragraph 13.18 of the SEBI Master Circular, the cumulative gross exposure through debt, derivative positions (including fixed income derivatives), repo transactions in corporate debt securities, Infrastructure Investment Trusts (InvITs), other permitted securities/assets and such other securities/assets as may be permitted by the Board from time to time should not exceed 100% of the net assets of the scheme. Cash and cash equivalents as per SEBI letter no. SEBI/HO/IMD-II/DOF3/ OW/P/ 2021/ 31487 / 1 dated November 03, 2021 which includes T-bills, Government Securities, Repo on Government Securities and any other securities as may be allowed under the regulations prevailing from time to time subject to the regulatory approval, if any, having residual maturity of less than 91 Days, shall not be considered for the purpose of calculating gross exposure limit
2. Exposure due to hedging positions may not be included in the above mentioned limits subject to the following:
 - a. Hedging positions are the derivative positions that reduce possible losses on an existing position in securities and till the existing position remains.
 - b. Hedging positions cannot be taken for existing derivative positions. Exposure due to such positions shall have to be added and treated under limits mentioned in Point 1.
 - c. Any derivative instrument used to hedge has the same underlying security as the existing position being hedged.
 - d. The quantity of underlying associated with the derivative position taken for hedging purposes does not exceed the quantity of the existing position against which hedge has been taken.
3. (a) Mutual Funds may enter into plain vanilla Interest Rate Swaps (IRS) for hedging purposes. The value of the notional principal in such cases must not exceed the value of respective existing assets being hedged by the scheme.
(b) In case of participation in IRS is through over the counter transactions, the counter party has to be an entity recognized as a market maker by RBI and exposure to a single counterparty in such transactions should not exceed 10% of the net assets of the scheme. However, if mutual funds are transacting in IRS through an electronic trading platform offered by the Clearing Corporation of India Ltd. (CCIL) and CCIL is the central counterparty for such transactions guaranteeing settlement, the single counterparty limit of 10% shall not be applicable.
4. Exposure due to derivative positions taken for hedging purposes in excess of the underlying position against which the hedging position has been taken, shall be treated under the limits mentioned in point 1.

Investments in debt instruments with SO/CE rating-

The Scheme shall invest in Debt instruments having Structured Obligations/Credit Enhancements in accordance with provisions of Paragraph 13.1 of Master Circular as may be amended by SEBI from time to time. The same are currently as under:

The investment of the Scheme in the following instruments shall not exceed 10% of the debt portfolio of the Scheme and the group exposure in such instruments shall not exceed 5% of the debt portfolio of the Scheme:

- a. Unsupported rating of debt instruments (i.e. without factoring-in credit enhancements) is below investment grade; and
- b. Supported rating of debt instruments (i.e. after factoring-in credit enhancement) is above investment grade.

For this purpose, a group means a group as defined under regulation 2 (x) of the SEBI (MF) Regulations and shall include an entity, its subsidiaries, fellow subsidiaries, its holding company and its associates.

However the above Investment limits shall not be applicable on investments in securitized debt instruments, as defined in SEBI (Public Offer and Listing of Securitized Debt Instruments) Regulations 2008.

Investment in debt instruments, having credit enhancements backed by equity shares directly or indirectly, shall have a minimum cover of 4 times considering the market value of such shares.

Investments in debt instruments with special features (AT1 and AT2 Bonds) -

As per Sr. No. 9 of table under Paragraph 13.1 of the SEBI Master Circular -

- i. No Mutual Fund under all its schemes shall own more than 10% of debt instruments having Special Features issued by a single issuer.
- ii. A scheme shall not invest -
 - a) more than 10% of its NAV of the debt portfolio of the scheme in debt instruments having Special Features; and
 - b) more than 5% of its NAV of the debt portfolio of the scheme in debt instruments having Special Features issued by a single issuer.

The above investment limit for a scheme shall be within the overall limit for debt instruments issued by a single issuer, as specified at Paragraph 3 of the Sixth Schedule of SEBI (Mutual Fund) Regulations, 2026, and other prudential limits with respect to the debt instruments.

Investments in repo of corporate debt securities

Guidelines for participation of mutual funds in Repo in corporate debt securities.

SEBI has vide paragraph 13.8 of the SEBI Master Circular enabled mutual funds to participate in repos in corporate debt securities as per the guidelines issued by RBI from time to time and subject to few conditions listed in the circular. Accordingly, the Scheme may participate in Repo in corporate debt securities in accordance with directions issued by RBI and SEBI from time to time and in accordance with guidelines framed by the Board of AMC and Trustee Company in this regard.

Conditions applicable: -

- The net exposure of any Mutual Fund scheme to repo transactions in corporate debt securities shall not be more than 10 % of the net assets of the Scheme.
- The cumulative gross exposure through debt, derivative positions, repo transactions in corporate debt securities, Real Estate Investment Trusts (REITs), Infrastructure Investment Trusts (InvITs), other permitted securities/assets and such other securities/assets as may be permitted by the Board from time to time should not exceed 100% of the net assets of the scheme.
- Mutual funds shall participate in repo transactions only in AA and above rated corporate debt securities.

These conditions will be subject to any revisions announced by SEBI from time to time.

Other Guidelines

- i. Category and credit rating of counter party:
 1. SEBI regulated mutual funds
 2. RBI regulated Banks, Non-Banking Finance Companies, Primary Dealers
 3. IRDA regulated Insurance companies
 4. Corporates for whom credit limits have been assigned are eligible counterparties. These corporates should have a minimum investment grade credit rating. For new counterparties, approval from Head - Risk will be taken and an assessment will be done by the Risk & Quantitative Analysis team.
- ii. Tenor of collateral: <=20 years for corporate debt securities.

iii. Applicable haircuts: RBI, in its circular no. IDMD.PCD. 09 /14.03.02 /2012-13 dated January 7, 2013 prescribed the following minimum haircuts on the market value of the underlying security:

- a. AAA rated: 7.5%
- b. AA+ rated: 8.5%
- c. AA rated: 10%

The above haircuts are subject to change based on how market practice evolves with respect to corporate bond repo. Prior approval of the Investment committee shall be sought for change in the haircut from existing % to such other % as deemed fit.

iv. Valuation of repo assets: At cost.

Investments in units of InvIT -

1. The Mutual Fund under all its schemes shall not invest more than 10% of units issued by a single issuer of InvIT.
2. The Scheme shall not invest:
 - more than 10% of its NAV in the units of InvITs; and
 - more than 5% of its NAV in the units of InvITs issued by a single issuer.

Investment in unrated instruments

As per Sr. No. 4 of table under Paragraph 13.1 of the SEBI Master Circular, Investment in unrated debt and money market instruments, other than government securities, treasury bills, derivative products such as Interest Rate Swaps (IRS), Interest Rate Futures (IRF), etc. shall be subject to the following:

- a) Investments should only be made in such instruments, including bills re-discounting, usance bills, etc., that are generally not rated and for which separate investment norms or limits are not provided in SEBI (Mutual Fund) Regulations, 2026 and various circulars issued thereunder.
- b) Exposure of mutual fund schemes in such instruments shall not exceed 5% of the net assets of the schemes.

All such investments shall be made with the prior approval of the Board of AMC and the Board of trustees.

Investment in CDMDF

In accordance with the requirement of regulation 40 of SEBI (Mutual Funds) Regulations, 2026 read with Paragraph 18 of the SEBI Master Circular, scheme shall invest 25 bps of its AUM.

CDMDF Framework-

CDMDF shall comply with the Guarantee Scheme for Corporate Debt (GSCD) as notified by Ministry of Finance vide notification no. G.S.R. 559(E) dated July 26, 2023 and SEBI circular no. SEBI/HO/IMD/PoD2/P/CIR/2023/128 dated July 27, 2023 and circulars / guidelines/ Letters issued by SEBI and AMFI from time to time, which includes the framework for corporate debt market development fund. The framework will inclusive of following points-

- a) The CDMDF shall deal only in following securities during normal times:
 - Low duration Government Securities
 - Treasury bills
 - Tri-party Repo on G-sec
 - Guaranteed corporate bond repo with maturity not exceeding 7 days
- b) The fees and expenses of CDMDF shall be as follows:
 - During Normal times: (0.15% + tax) of the Portfolio Value charged on daily pro-rata basis.
 - During Market stress: (0.20% + tax) of the Portfolio Value charged on daily pro-rata basis.
 - “Portfolio Value” means the aggregate amount of portfolio of investments including cash balance without netting off of leverage undertaken by the CDMDF.
- c) Corporate debt securities to be bought by CDMDF during market dislocation include listed money market instruments. The long term rating of issuers shall be considered for the money market

instruments. However, if there is no long term rating available for the same issuer, then based on credit rating mapping of CRAs between short term and long term ratings, the most conservative long term rating shall be taken for a given short term rating.

- d) CDMDf shall follow the Fair Pricing document, while purchase of corporate debt securities during market dislocation as specified in Paragraph 18 of the SEBI Master Circular and circulars / guidelines/ Letters issued by SEBI and AMFI from time to time
- e) CDMDf shall follow the loss waterfall accounting and guidelines w.r.t. purchase allocation and trade settlement of corporate debt securities bought by CDMDf as specified in Paragraph 18 of the SEBI Master Circular and circulars / guidelines/ Letters issued by SEBI and AMFI from time to time.

Overview of Debt Market in India

The Indian bond market comprises mainly of Government securities; State Development Loans (SDL), bonds issued by Public Sector Undertakings (PSU), Development Financial Institutions (DFI) and Infrastructure-related agencies; debentures and money market instruments issued by corporate sectors and banks. The Government of India routinely issues Government securities and Treasury bills for liquidity and fiscal management. While the Government issues Treasury bills for 91 days, 182 days and 364 days in a discounted form, coupon-bearing Government securities are issued for maturity ranging from 1 year to as high as 50 years. Both Treasury bills and coupon-bearing securities are auctioned by the RBI on behalf of the Government of India. The Indian bond market has also witnessed issuance of bonds from Government-sponsored institutions, DFIs, and infrastructure-related agencies. These bonds are rated by credit rating agencies like CRISIL, ICRA, CARE and India Ratings. They are widely held by market participants because of their liquidity and reduced risk perception due to the government stake in some of them.

The Indian corporate sector has also been frequently raising capital through issuance of non-convertible debentures and commercial papers. These debentures/commercial Papers are mostly rated by rating agencies like CRISIL, ICRA, CARE and India Ratings. There is an active and vibrant secondary market for these debentures/commercial Papers. These normally trade at a marginally higher yield than bonds issued by PSU and other government-sponsored agencies.

Overview of Money Market in India

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

Treasury bills are issued by the Government of India through regular weekly auctions, while Cash Management Bills are issued on an ad-hoc basis. They are mostly subscribed by banks, state governments, mutual funds and other entities. As on 10 April 2026, total outstanding treasury bills are Rs. 7,34,321 crore*.

Certificate of Deposits are issued by scheduled banks for their short-term funding needs. They are normally available for up to 365 days tenor. Certificate of deposits issued by public sector banks are normally rated A1+ (highest short-term rating) by various rating agencies. As on 15 April 2026, outstanding Certificate of Deposits are Rs. 6,84,807 crore*. Certificate of deposits currently trade at a spread of around 150 basis points** over comparable treasury bills as on 15th April, for a one-year tenor.

Commercial Papers are issued by corporate entities for their short-term cash requirements. Commercial Papers are normally rated A1+ (highest short-term rating). As on 15th April 2026, total outstanding Commercial Papers are Rs. 5,26,604 crore*.

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

B. What are the investment restrictions?

As per the Trust Deed read with the SEBI (MF) Regulations, the following investment restrictions apply in respect of the Scheme at the time of making investments. However, all investments by the Scheme will be made in accordance with the investment objective; asset allocation and where the scheme will invest, described earlier, as well as the SEBI (MF) Regulations, including Schedule VI thereof, as amended from time to time.

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

1. (i) The Scheme shall not invest more than 10% of its NAV in debt instruments comprising money market instruments and non-money market instruments issued by a single issuer which are rated not below investment grade by a credit rating agency authorized to carry out such activity under the SEBI Act 1992. Such investment limit may be extended to 12% of the NAV of the scheme with the prior approval of the Board of Trustees and the Board of AMC.

Paragraph 13.1 of the SEBI Master Circular introduced following norms for credit rating based single issuer limit for actively managed mutual fund schemes.

A Scheme shall not invest more than:

- a. 10% of its NAV in debt and money market securities rated AAA; or
- b. 8% of its NAV in debt and money market securities rated AA; or
- c. 6% of its NAV in debt and money market securities rated A and below

issued by a single issuer.

The above investment limits may be extended by up to 2% of the NAV of the scheme with prior approval of the Board of Trustees and Board of Directors of the AMC, subject to compliance with the overall 12% limit.

Provided that such limit shall not be applicable for investments in Government securities, T-Bills and triparty repo on Government securities or treasury bills.

Provided further that investment within such limit can be made in mortgaged backed securitised debt which are rated not below investment grade by a credit rating agency registered with the Board.

- (ii) The Scheme shall not invest in unlisted debt instruments including commercial papers (CPs), other than (a) government securities, (b) other money market instruments and (c) derivative products such as Interest Rate Swaps (IRS), Interest Rate Futures (IRF), etc. which are used by mutual funds for hedging.

Provided that Mutual Fund Schemes may invest in unlisted Non-Convertible Debentures (NCD) upto a maximum of 10% of the debt portfolio of the scheme subject to the condition that such unlisted NCDs have a simple structure (i.e. with fixed and uniform coupon, fixed maturity period, without any options, fully paid up upfront, without any credit enhancements or structured obligations) and are rated and secured with coupon payment frequency on monthly basis.

- (iii) Investment in unrated debt and money market instruments, other than government securities, treasury bills, derivative products such as Interest Rate Swaps (IRS), Interest Rate Futures (IRF), etc. shall be subject to the following:

- a. Investments should only be made in such instruments, including bills re-discounting, usance bills, etc., that are generally not rated and for which separate investment norms or limits are not provided in SEBI (Mutual Fund) Regulations, 2026 and various circulars issued thereunder.
- b. Exposure of mutual fund schemes in such instruments shall not exceed 5% of the net assets of the schemes.

All such investments shall be made with the prior approval of the Board of AMC and the Board of trustees.

2. All fresh investments by mutual fund schemes in CPs would be made only in CPs which are listed or to be listed.
3. Restrictions on Investment in debt instruments having Structured Obligations / Credit Enhancements:

The Scheme shall invest in Debt instruments having Structured Obligations/Credit Enhancements in accordance with provisions of Paragraph 13.1 of Master Circular as may be amended by SEBI from time to time. The same are currently as under:

The investment of the Scheme in the following instruments shall not exceed 10% of the debt portfolio of the Scheme and the group exposure in such instruments shall not exceed 5% of the debt portfolio of the Scheme:

- a. Unsupported rating of debt instruments (i.e. without factoring-in credit enhancements) is below investment grade; and
- b. Supported rating of debt instruments (i.e. after factoring-in credit enhancement) is above investment grade.

For this purpose, a group means a group as defined under regulation 2 (x) of the Regulations.

However the above Investment limits shall not be applicable on investments in securitized debt instruments, as defined in SEBI (Public Offer and Listing of Securitized Debt Instruments) Regulations 2008.

Investment in debt instruments, having credit enhancements backed by equity shares directly or indirectly, shall have a minimum cover of 4 times considering the market value of such shares.

4. Transfers of investments from one scheme to another scheme in the same mutual fund shall be allowed as per guidelines prescribed in Paragraph 13.19 of the SEBI Master Circular and amendments made from time to time. Also Paragraph 10.13 of the SEBI Master Circular has prescribed the methodology for determination of price to be considered for inter-scheme transfers.
5. The Scheme may invest in another scheme (except fund of funds Schemes) under the AMC or any other mutual fund without charging any fees, provided that the aggregate inter-scheme investment made by all Scheme under the same management or in Scheme under the management of any other asset management company shall not exceed 5% of the Net Asset Value of the Mutual Fund.
6. The Mutual Fund shall buy and sell securities on the basis of deliveries and shall in all cases of purchases, take delivery of relevant securities and in all cases of sale, deliver the securities. Provided further that sale of government security already contracted for purchase shall be permitted in accordance with the guidelines issued by the RBI in this regard.
7. The Scheme shall not make any investments in Fund of Funds Schemes.
8. The Mutual Fund shall get the securities purchased/transferred in the name of the Mutual Fund on account of the Scheme, wherever the instruments are intended to be of a long term nature.
9. The Scheme will not invest in overseas securities, foreign securitized debt, and credit default swaps.
10. 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 SEBI vide Paragraph 13.7 of the 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. AMC will not charge any investment management and advisory fees for parking of funds in short term deposits of scheduled commercial banks.
- vii. 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.

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

11. Repo/reverse repo in transactions in corporate debt securities:

- a) The net exposure of the Scheme to repo/reverse repo transactions in corporate debt securities shall not be more than 10 % of the net assets of the Scheme.
- b) Mutual funds shall participate in repo transactions only in AA and above rated corporate debt securities.
- c) In terms of Regulation 42 (1) of the Securities and Exchange Board of India (Mutual Funds) Regulations, 2026, mutual funds shall borrow through repo transactions only if the tenor of the transaction does not exceed a period of six months.

12. As per Paragraph 13.18 of the SEBI Master Circular, the cumulative gross exposure through debt, derivative positions (including fixed income derivatives), repo transactions in corporate debt securities, InvITs, other permitted securities/assets and such other securities/assets as may be permitted by the Board from time to time should not exceed 100% of the net assets of the scheme. Cash and cash equivalents as per SEBI letter no. SEBI/HO/ IMD-II/DOF3/ OW/P/ 2021/ 31487 / 1 dated November 03, 2021 which includes T-bills, Government Securities, Repo on Government Securities and any other securities as may be allowed under the regulations prevailing from time to time subject to the regulatory approval, if any, having residual maturity of less than 91 Days, shall not be considered for the purpose of calculating gross exposure limit.

13. The Scheme shall not make any investment in:

- a. any unlisted security of any associate or group company of the Sponsors; or
- b. any security issued by way of private placement by an associate or group company of the Sponsors; or
- c. the listed securities of group companies of the Sponsors, which is in excess of 25% of the net assets except for investments by equity oriented exchange traded funds and index funds and subject to such conditions as may be specified by the SEBI.

14. Save as otherwise expressly provided under SEBI (MF) Regulations, the Mutual Fund shall not advance any loans for any purpose and the Mutual Fund shall not borrow except to meet temporary liquidity needs of the Scheme for the purpose of payment of interest or IDCW to Unit Holders, provided that the Mutual Fund shall not borrow more than 20% of the net assets of the Scheme and the duration of such borrowing shall not exceed a period of six months.

15. If any company invests more than 5 percent of the NAV of any of the Scheme, investment made by that or any other Scheme of the Mutual Fund in that company or its subsidiaries will be disclosed in accordance with the SEBI (MF) Regulations.

16. Sectoral exposure limits as outlined in item No. 8 under Paragraph 13.1 of this Master Circular shall not be applicable to the sectoral debt funds.

17. No sponsor of a mutual fund, its associate or group company including the asset management company of the fund, through the schemes of the mutual fund or otherwise, individually or collectively, directly or indirectly, have -

- a. 10% or more of the share-holding or voting rights in the asset management company or the trustee company of any other mutual fund; or
- b. representation on the board of the asset management company or the trustee company of any other mutual fund.

18. As per Paragraph 13.1 of the SEBI Master Circular-

- i. No Mutual Fund under all its schemes shall own more than 10% of debt instruments having Special Features issued by a single issuer.
- ii. A scheme shall not invest -

- a. more than 10% of its NAV of the debt portfolio of the scheme in debt instruments having Special Features; and
- b. more than 5% of its NAV of the debt portfolio of the scheme in debt instruments having Special Features issued by a single issuer.

The above investment limit for a scheme shall be within the overall limit for debt instruments issued by a single issuer, as specified under Paragraph 13.1 of the SEBI Master Circular, and other prudential limits with respect to the debt instruments.

19. Further, it is to be noted that Scheme shall be holding minimum of 10% of net assets of the Scheme in liquid assets in terms of Paragraph 5.7.1 of SEBI Master Circular or as prescribed at Annexure 1 of AMFI Best Practice Circular on Prudential norms for Liquidity Risk Management for Open-ended Debt Schemes, whichever is higher.

20. The scheme may invest in securitised debts upto 20% of the net assets.

21. Subject to SEBI (MF) Regulations and the applicable guidelines issued by SEBI, the Mutual Fund may engage in stock lending. The AMC shall comply with all reporting requirements and the Trustee shall carry out periodic review as required by SEBI guidelines. Stock lending means the lending of stock to another person or entity for a fixed period of time, at a negotiated compensation. The securities lent will be returned by the borrower on expiry of the stipulated period.

The Investment Manager will apply the following limits, should it desire to engage in Stock Lending:

- Not more than 20% of the net assets of a Scheme can generally be deployed in Stock Lending.
- Not more than 5% of the net assets of a Scheme can generally be deployed in Stock Lending to any single intermediary.

22. The Scheme may engage in short selling of securities in accordance with the framework relating to short selling and securities lending and borrowing specified by SEBI

23. In accordance with the requirement of regulation 40 of SEBI (Mutual Funds) Regulations, 2026 read with Chapter 18 of SEBI Master Circular scheme shall invest 25 bps of its AUM as on December 31, 2022 in the units of the Corporate Debt Market Development Fund ('CDMDF') within 10 working days from the request of CDMDF. Further, an incremental contribution to CDMDF shall be made every six months within 10 working days from the end of half year starting from December 2023 to ensure 25 bps of scheme AUM is invested in units of CDMDF. However, if AUM decreases there shall be no return or redemption from CDMDF. Contribution made to CDMDF, including the appreciations on the same, if any, shall be locked-in till winding up of the CDMDF.

24. Investment limits for investment by Mutual Fund Schemes in units of InvITs:

- i. No Mutual Fund under all its schemes shall own more than 10% of units issued by a single issuer of InvIT.
- ii. A scheme shall not invest -
 - a. more than 10% of its NAV in the units of INVITs; and
 - b. more than 5% of its NAV in INVIT issued by a single issuer.

25. The Scheme will comply with any other Regulation applicable to the investments of mutual funds from time to time.

These investment limitations/parameters as expressed (linked to the Net Asset/Net Asset Value/capital) shall, in the ordinary course, apply as at the date of the most recent transaction or commitment to invest, and changes do not have to be effected merely because, owing to appreciation or depreciation in value or by reason of the receipt of any rights, bonuses or benefits in the nature of capital or of any Scheme of arrangement or for amalgamation, reconstruction or exchange, or at any repayment or redemption or other reason outside the control of the Mutual Fund, any such limits would thereby be

breached. If these limits are exceeded for reasons beyond its control, the AMC shall adopt as a priority objective the remedying of that situation, taking due account of the interests of the Unit Holders.

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

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

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

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

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.

C. Fundamental Attributes

Following are the Fundamental Attributes of the scheme, in terms of Paragraph 1.9 of SEBI Master Circular:

(i) Type of a scheme

An open ended debt scheme investing in the financial services sector. A relatively high interest rate risk and moderate credit risk.

(ii) Investment Objective

- Main Objective - Please refer "HIGHLIGHTS/SUMMARY OF THE SCHEME - Investment Objective
- Investment pattern - Please refer "How will the Scheme allocate its assets?"

(iii) Terms of Issue

- Liquidity provisions such as listing, repurchase, redemption. Please refer, "Part I. Highlights/summary of the scheme."
- Aggregate fees and expenses charged to the Scheme. Please refer, "Section- Annual scheme recurring Expenses."
- Any safety net or guarantee provided - Not applicable

In accordance with Regulation 22(9)(c) of the SEBI (MF) Regulations and Paragraph 1.9.2 of SEBI Master Circular, the Trustees shall ensure that no change in the fundamental attributes of the Scheme(s) and the Plan(s) / Option(s) thereunder or the trust or fee and expenses payable or any other change which would modify the Scheme(s) and the Plan(s) / Option(s) thereunder and affect the interests of Unitholders is carried out unless:

- SEBI has reviewed and provided its comments on the proposal
- A written communication (including digital modes such as email/sms etc.) about the proposed change is sent to each Unitholder and details as specified by SEBI are appropriately displayed on the website of the AMC; and
- details, as specified by the Board, are appropriately displayed on the website of asset management company; and
- The Unitholders are given an option for a period of atleast 30 calendar days to exit at the prevailing Net Asset Value without any exit load.

D. Index Methodology - Not applicable

E. Principles of incentive structure for market makers - Not Applicable

F. Floors and ceiling within a range of 5% of the intended allocation against each sub class of asset, as per Paragraph 14.5.1 of SEBI master circular for mutual funds - Not applicable

G. Other Scheme Specific Disclosures:

Listing and transfer of units	The Scheme is open ended and the Units are not proposed to be listed on any stock exchange. However, the Mutual Fund may, at its sole discretion, list the Units on one or more Stock Exchanges at a later date, and thereupon the Mutual Fund will make suitable public announcement to that effect. The Mutual Fund will offer and redeem the Units on a continuous basis during the Continuous Offer Period. The Unit holders are given an option to hold the Units by way of an Account Statement (physical form) or in Dematerialized (demat form). Transfer of Units is possible in Demat and as well as in non-demat. Transfer of Units in demat mode Units held in Demat form are transferable (subject to lock-in period, if any and subject to lien, if any marked on the units) in accordance with the provisions of SEBI (Depositories and Participants) Regulations, 2018, as may be amended from time to time. Transfer can be made only in favor of transferees who are capable of holding Units and having a Demat Account. The delivery instructions for transfer of Units will have to be lodged with the DP in requisite form as may be required from time to time and transfer will be effected in accordance with such rules / regulations as may be in force governing transfer of securities in dematerialized mode. Further, for the procedure of release of lien, the investors shall contact their respective DP. However, if a person becomes a holder of the Units consequent to operation of law or upon enforcement of a pledge, the Mutual Fund will, subject to production of satisfactory evidence, effect the transfer, if the transferee is otherwise eligible to hold the Units. Similarly, in cases of transfers taking place consequent to death, insolvency etc., the transferee's name will be recorded by the Mutual Fund subject to production of satisfactory evidence. Transfer of units held in Non-Demat [Statement of Account ('SOA')] mode: As per the AMFI Best Practices Guidelines Circular No.116 /2024-25 dated August 14, 2024 on 'Standard Process for Transfer of Units held in Non-Demat (SoA) mode', units held by individual unitholders in Non-Demat ('SoA') mode can be transferred only in following cases- (i) Surviving joint unitholder, who wants to add new joint holder(s) in the folio upon demise of one or more joint unitholder(s).
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	(ii) A nominee of a deceased unitholder, who wants to transfer the units to the legal heirs of the deceased unitholder, post the transmission of units in the name of the nominee. (iii) A minor unitholder who has turned a major and has changed his/her status from minor to major, wants to add the name of the parent / guardian, sibling, spouse etc. in the folio as joint holder(s). Partial transfer of units held in a folio shall be allowed. If the request for transfer of units is lodged on the record date, the IDCW payout/ reinvestment shall be made to the transferor. Redemption of the transferred units shall not be allowed for 10 days from the date of transfer. This will enable the investor to revert in case the transfer is initiated fraudulently. <u>Mode of submitting the Transfer Request Non-Demat (SOA) mode</u> The facility for transfer of units held in SoA mode shall be available only through online mode via the transaction portals of the RTAs and the MF Central, i.e., the transfer of units held in SoA mode shall not be allowed through physical/ paper-based mode or via the stock exchange platforms, MFU, channel partners and EOPs etc. For details on pre-requisites, payment of stamp duty on transfer of units, please refer SAI.
Dematerialization of units	The Unit holders would have an option to hold the Units in demat form or account statement (non-demat) form. Units held in Demat Form are freely transferable. The Applicant intending to hold Units in demat form will be required to have a Demat 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. For further details, please refer SAI.
Minimum Target amount (This is the minimum amount required to operate the scheme and if this is not collected during the NFO period, then all the investors would be refunded the amount invested without any return.)	The Mutual Fund seeks to collect a minimum subscription amount of Rs. 20 crore in the Scheme during the NFO period. In the event this amount is not raised during the NFO period, the amount collected under the Scheme will be refunded to the applicants as mentioned in the section, 'Refund'.
Maximum Amount to be raised (if any)	There is no maximum subscription amount for the Scheme to be raised and therefore, subject to the applications being in accordance with the terms of this offer, full allotment will be made to the applicants. Any application for subscription of units may be rejected if found incomplete or due to unavailability of underlying securities, etc.
Dividend Policy (IDCW)	(i) Growth Option The Mutual Fund will not declare any IDCWs under this option. The income earned under this Option will remain invested in the option and will be reflected in the NAV. This option is suitable for investors who are not looking for current income but who have invested with the intention of capital appreciation. (ii) Income Distribution cum Capital Withdrawal option (IDCW) The above Option is suited for investors seeking income through IDCWs declared by the Scheme. Only Unit Holders opting for the IDCW Option (Option B) will receive IDCWs. The Trustee, in its sole discretion, may also declare interim IDCWs.

	This Option in turn offers two sub-options i.e. “Payout IDCW” and “Reinvest IDCW”, as under: • Payout IDCW As per the SEBI (MF) Regulations, the Mutual Fund shall dispatch IDCW proceeds to the Unit Holders within 7 Working Days of the record date of the IDCW. IDCWs will be paid by cheque, net of taxes, as may be applicable. Unit Holders will also have the option of direct payment of IDCW to the bank account. The cheques will be drawn in the name of the sole/first holder and will be posted to the registered address of the sole/first holder as indicated in the original application form. To safeguard the interest of Unit Holders from loss or theft of IDCW cheques, investors should provide the name of their bank, branch and account number in the application form. IDCW cheques will be sent to the Unit Holder after incorporating such information. If the IDCW amount payable (net of tax deducted at source, wherever applicable) under the IDCW Payout sub-option of the Scheme is for an amount equal to or less than (i) Rs. 100/- in the then such IDCW will compulsorily and automatically reinvested in the Scheme/Plan by issuing additional Units of the Scheme under Regular Plan/ Direct Plan at the Applicable NAV on the next Business day after the Record Date. There shall be no load on IDCW so reinvested. • Reinvest IDCW Under this sub-option, IDCWs are reinvested by way of allotment of additional Units of the Scheme, instead of receiving IDCW payout. Such additional Units by way of reinvestment of IDCWs will be at the Applicable NAV on the next Business day after the Record Date. Transfer of the additional Units issued under this sub-option shall be deemed to be Short Term Capital Gains. Effect of IDCW: The NAV of the Unit Holders in IDCW Option will stand reduced by the amount of IDCW declared. On declaration of IDCW, the NAV of the IDCW option will further stand reduced by the applicable statutory levy/surcharge/cess/ any other levy payable by the scheme in respect of separate category of investors if any. Notwithstanding varying rates of statutory levies, the ex- IDCW NAV will remain the same for all categories of investors in a particular option, though the amount of IDCW received by Unit Holders may vary depending on the category of each Unit Holder. For details on taxation of IDCW please refer the SAI. For details on taxation of IDCW please refer the SAI. Notes: The Trustee may decide to declare distributions under the IDCW Option of the Scheme subject to availability of distributable surplus. There is no assurance or guarantee to the Unit Holders as to the rate of IDCW will be regularly paid, though it is the intention of the Scheme to make IDCW distribution under the respective plan/options of the Scheme. For IDCW Options having a defined frequency, the Trustee at its sole discretion may also declare interim distributions between two successive record dates. The declaration/actual payment of IDCW and the frequency thereof will depend on the availability of distributable
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	surplus computed in accordance with SEBI (MF) Regulations. The decision of the Trustee in this regard shall be final. An investor on record of the CAMS / Statement of Beneficiary Owners maintained by the Depositories for the purpose of IDCW distribution is an investor who is a Unit Holder/ Beneficial Owners as on the Record Date. In order to be a Unit Holder, an investor has to be allocated Units representing receipt of clear funds by the Scheme. IDCW, if declared, will be paid (subject to deduction of tax at source, if any) to those Unit holders whose names appear in the Register of Unit holders on the record date. In case of units held in dematerialized mode, the Depositories (NSDL/CDSL) will provide the list of eligible demat account holders and the number of units held by them in electronic form on the Record date to the Registrars and Transfer Agent of the Mutual Fund. On payment of IDCW, the NAV will stand reduced by the amount of IDCW and statutory levy (if applicable) paid. The Trustee/AMC reserves the right to change the record date from time to time. <u>IDCW Distribution Procedure</u> In accordance with Paragraph 12.5.1 of Master Circular, the procedure for IDCW Distribution would be as under: - Quantum of IDCW and the record date will be fixed by the Trustee. IDCW so decided shall be paid, subject to availability of distributable surplus. Further, with respect to declaration of IDCW upto monthly frequency, the trustees can delegate to the officials of AMC to declare and fix the record date as well as decide the quantum of IDCW subject to the conditions as laid under Paragraph 12.5.2(b) of Master Circular - Within one calendar day of decision by the Trustee, the AMC shall issue notice to the public communicating the display the decision including the record date on the website of the AMC. - The Record Date will be 2 working days from the date of publication in at least one English newspaper or in a newspaper published in the language of the region where the Head Office of the mutual fund is situated, whichever is issued earlier. Record date shall be the date which will be considered for the purpose of determining the eligibility of investors whose names appear on the register of Unit holders maintained by the Mutual Fund/statement of beneficial ownership maintained by the Depositories, as applicable, for receiving IDCW. - The notice will, in font size 10, bold, categorically state that pursuant to payment of IDCW, the NAV of the Scheme would fall to the extent of payout and statutory levy (if applicable). - The NAV will be adjusted to the extent of IDCW distribution and statutory levy, if any, at the close of business hours on record date. - Before the issue of such notice, no communication indicating the probable date of IDCW declaration in any manner whatsoever, will be issued by Mutual Fund
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Allotment (Detailed procedure)	Allotment will be completed after due reconciliation of receipt of funds for all valid applications within 5 Business Days from the closure of the NFO period. Clear funds should be available to the Fund One business day prior to the date of allotment in respect of all purchase applications received during the NFO period. All cases where clear funds have not been identified or received for whatsoever reasons, including technical clearing reasons, will not be considered for allotment and the amount will be refunded to the investor in due course. The AMC will not entertain any claims of allotment or compensation in such cases. Full allotment will be made to all valid applications received. Allotment to NRIs/FIIs 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. All allotments will be provisional, subject to realization of payment instrument and subject to the AMC having been reasonably satisfied about receipt of clear funds. Any redemption or switch out transaction in the interim is liable to be rejected at the sole discretion of the AMC. In case of cheque returns, the Mutual Fund will send the copy of the returned cheque and bank return memo by normal post within 15 days of the Registrar having received, at its registered office, the physical and the return memo. The Mutual Fund will not be responsible for any loss or damage to the applicant on account of any delay in informing him/her/it about the return of the cheque, where such delay is caused by the clearing mechanisms of banks and clearing houses involved in realization of cheques. It is mandatory for NRIs to attach a copy of the payment cheque/FIRC/Debit Certificate to ascertain the repatriation status of the amount invested. NRI applicants should also clearly tick on account type as NRE or NRO or FCNR to determine the repatriation status of the investment amount. The AMC and the Registrar may ascertain the repatriation status purely based on the details provided in the application form under 'Investment and payment details' and will not be liable for any incorrect information provided by the applicants. Applicants will have to coordinate with their authorized dealers and banks to repatriate the investment amount as and when needed. 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. All applications and/or refunds that are rejected for any reason whatsoever will be returned through instruments or payment channels such as RTGS, NEFT, IMPS, direct credit, etc. or any other mode allowed by Reserve Bank of India from time to time, for payments including refunds to unitholders in form of the cheque, demand draft. Further, AMCs may also use modes of despatch such as speed post, courier etc. for payments including refunds to unitholders in addition to the registered post with acknowledgement due within 15 days to the address as mentioned by the applicant. The Mutual Fund reserves the right to recover from an investor any loss caused to the Scheme on account of dishonor of cheques issued by him/her/it for purchase of Units. For investors who have given demat account details, the Units will be credited to the investor's demat account after due verification and
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	confirmation from NSDL/CDSL of the demat account details and only after the funds are credited into the Mutual Fund's scheme(s) account to the satisfaction of the AMC. 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. Note: Allotment of units will be done after deduction of applicable stamp duty.
Refund	- If the Scheme fail to collect the minimum subscription amount of Rs. 20 Crore, the Mutual Fund shall be liable to refund the money to the applicants. - Refund of subscription money to applicants whose applications are invalid for any reason whatsoever, will commence immediately after the closure of the NFO subject to receipt of funds. - Refunds will be completed within 5 Business Days from the closure of the New Fund Offer Period. If the Mutual Fund refunds the amount after 5 Business Days, interest as specified by SEBI (currently, 15% per annum) shall be paid by the AMC. AMC may also use instruments or payment channels such as RTGS, NEFT, IMPS, direct credit, etc. or any other mode allowed by Reserve Bank of India from time to time, for payments including refunds to unitholders in addition to the cheque, demand draft. As per the directives issued by SEBI, it is mandatory for Applicants to mention their bank account numbers in their applications for purchase of Units. Further, AMCs may also use modes of despatch such as speed post, courier etc. for payments including refunds to unitholders in addition to the registered post along with due acknowledgement.
Who can invest This is an indicative list and investors shall consult their financial advisor to ascertain whether the scheme is suitable to their risk profile.	The following persons (subject to, wherever relevant, purchase of units of mutual fund being permitted under respective constitutions and relevant statutory regulations) are eligible and may apply for subscription to the Units of the Scheme: - Indian 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 Section 350 read with Sch. XVI para 1(13) of Income Tax Act, 2025 (subject to receipt of necessary approvals as "Public Securities", where required and conditions mentioned in their respective Trust Deeds) - Trustee of private trusts authorised to invest in mutual fund Scheme under the Trust Deed - Partnership Firms and Limited Liability Partnerships (LLPs) - 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

	j. Foreign Portfolio Investors (FPI) as defined in Regulation 2(1) (h) of Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014 k. Army, Air Force, Navy and other para-military units and bodies created by such institutions l. Scientific and Industrial Research Organisations m. International Multilateral Agencies approved by the Government of India n. Non-Government Provident/Pension/Gratuity funds as and when permitted to invest o. Others who are permitted to invest in the Scheme as per their respective constitutions p. Mutual Funds registered under the SEBI (Mutual Funds) Regulations, 2026 q. A Scheme of the DSP 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). All category of investors (whether existing or new) as permitted above are eligible to subscribe under Direct Plan. Investments under the Direct Plan can be made through various mode offered by the Fund for investing directly in the Fund. 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
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: a. No fresh purchases /additional purchases/switches in any Schemes of the Fund would be allowed. However, existing Unit Holder(s) will be allowed to redeem their units from the Schemes of the Fund. If an existing Unit Holder(s) subsequently becomes a U.S. Person or Resident of Canada, then such Unit Holder(s) will not be able to purchase any additional Units in any of the Scheme of the Fund. However, subscription (including systematic investments) and switch transactions requests received from U.S. persons who are Non-resident Indians (NRIs) /Persons of Indian origin (PIO) and at the time of such investment, are present in India and submit a physical transaction request along with such documents as may be prescribed by the AMC/ Trustee Company from time to time shall be accepted. The AMC shall accept such investments subject to the applicable laws and such other terms and conditions as may be notified by the AMC/ Trustee Company. The investor shall be responsible for complying with all the applicable laws for such investments. The AMC reserves the right to reject the transaction request or redeem

	with applicable exit load and TDS or reverse allotted units, as the case may be, as and when identified by the AMC, which are not in compliance with the terms and conditions notified in this regard. b. For transaction from Stock Exchange platform, while transferring units from the broker account to investor account, if the investor has U.S./Canadian address then the transactions, subject to the abovementioned conditions, may be rejected. c. 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.”
How to Apply and other details	Application form and Key Information Memorandum may be obtained from Official Points of Acceptance (OPAs) / Investor Service Centres (ISCs) of the AMC or RTA or Distributors or can be downloaded from our website www.dspim.com. Please refer to the SAI and Application form for further details and the instructions. Applications can be submitted at any of the official points of acceptance of transactions, the addresses of which are given at the end of this SID and updated list is available on the website of the Fund and the registrar. Investors can log on to www.camsonline.com for details of various offices/ISCs of Registrar. Stock brokers registered with recognized stock exchange and empaneled with the AMC shall also be considered as ‘official point of Acceptance of Transaction’. It is mandatory for every applicant to provide the name of the bank, branch, address, account type and account 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. Financial transactions through email in respect of non- individual investors shall be accepted in terms of AMFI Best Practice Guidelines (BPG) no. 118/ 2024-25 dated January 31, 2025. For the terms and conditions of for availing the facility to transact through electronic mail, please refer SAI. For detailed disclosure, kindly refer SAI.
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
Restrictions, if any, on the right to freely retain or dispose of units being offered.	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 Paragraph 5.3 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: i. No redemption / switch-out requests upto Rs. 2 lakhs shall be subject to such restriction. ii. Where redemption / switch-out requests are above Rs. 2 lakhs, the AMC shall redeem the first Rs. 2 lakhs without such restriction and remaining part over and above Rs. 2 lakhs shall be subject to such restriction.		
Cut off timing for subscriptions/ redemptions/ switches This is the time before which your application (complete in all respects) should reach the official points of acceptance.	Applicable NAV and Cut-off time Applicable NAV is the Net Asset Value per Unit at the close of the Business Day on which a valid application is accepted and time stamped. An application will be considered accepted on a Business Day, subject to it being complete in all respects and received and time stamped upto the relevant cut-off time as specified below, at any of the official points of acceptance of transactions. Applications received via post or courier at any of the centres will be accepted on the basis of when the application is time stamped by the centre and not on the basis of date and time of receipt of the post or the courier. In accordance with Sr. no. 4 of table under Paragraph 9.4.3 of SEBI Master Circular, in respect of purchase of units of mutual fund schemes (except liquid and overnight schemes), closing NAV of the day shall be applicable on which the funds are available for utilization irrespective of the size and time of receipt of such application. Pursuant to above, the NAV applicability for purchase/switch-in/ subscription in the Scheme will be subject to following clauses: 1. Application for purchase/subscription/switch-in is received before the applicable cut-off time on a Business Day. 2. Funds for the entire amount of purchase/subscription/switch-in as per the application is credited before the cut-off time to the bank account of the Scheme in which subscription is made. 3. The funds are available for utilization before the cut-off time the Scheme.		
	<table border="1"> <tr> <td style="width: 10%;">(a)</td> <td>Purchase and Switch-in</td> </tr> </table>	(a)	Purchase and Switch-in
(a)	Purchase and Switch-in		

	Particulars	Applicable NAV	With respect to investors who transact through the stock exchange, Applicable NAV shall be reckoned on the basis of the time stamping as evidenced by
	Where the valid application is received upto cut-off time of 3.00 p.m. on a business day at the official point(s) of acceptance and funds for the entire amount of subscription/purchase are available for utilization upto 3.00 p.m. on the same Business Day.	Closing NAV of same Business Day shall be applicable	
	Where the valid application is received upto cut-off time of 3.00 p.m. on a business day at the official point(s) of acceptance and funds for the entire amount of subscription/purchase are available for utilization after 3.00 p.m. on the same Business Day or on any subsequent Business Day	Closing NAV of such subsequent Business Day on which the funds are available for utilization prior to 3.00 p.m.	
	Where the valid application is received after cut-off time of 3.00 p.m. on a business day at the official point(s) of acceptance and funds for the entire amount of subscription/purchase/switch-in are available for utilization upto 3.00 p.m. on the same Business Day.	Closing NAV of subsequent Business Day shall be applicable	
	(b) Redemption and Switch-out		
	Particulars	Applicable NAV	
	Where the application is received on any Business Day at the official points of acceptance of transactions upto 3.00 p.m.	NAV of the same day	
Where the application is received after 3.00 p.m.	NAV of the next Business Day.		
confirmation slip given by stock exchange mechanism.			
Applicable Net Asset Value in case of Multiple applications/transactions received under all open-ended Schemes of the Fund: All transactions as per conditions mentioned below shall be aggregated and closing NAV of the day on which funds for respective transaction (irrespective of source of funds) are available for utilization.			
1. All transactions received on same Business Day (as per cut-off timing and Time stamping rule).			
2. Aggregation of transactions shall be applicable to the Scheme.			
3. Transactions shall include purchases, additional purchases and exclude Switches, SIP/STP and trigger transactions.			
4. Aggregation of transactions shall be done on the basis of investor/s/Unit Holder/s Permanent Account Number (PAN). In case of joint holding in folios, transactions with similar holding pattern will be aggregated. The principle followed for such aggregation will be			

	similar as applied for compilation of Consolidated Account Statement (CAS). - All transactions will be aggregated where investor holding pattern is same as stated in point no.4 above. - Only transactions in the same Scheme of the Fund shall be clubbed. It will include transactions at Plans/Options level (i.e. Regular Plan, Direct Plan, IDCW Option, Growth Option, etc). - Transactions in the name of minor received through guardian will not be aggregated with the transaction in the name of same guardian. However, two or more transactions in folios of a minor received through same guardian will be considered for aggregation. - In the case funds are received on separate days and are available for utilization on different business days before the cut off time, the applicable NAV shall be of the Business day/s on which the cleared funds are available for utilization for the respective application amount. - Irrespective the date and time of debit to the customer bank accounts, the date and time of actual credit in the Scheme's bank account, which could be different due settlement cycle in the banking industry, would be considered for applicability of NAV. - Investors are advised to make use of digital/electronic payment to transfer the funds to the Scheme's bank account. Transaction through online facilities/ electronic mode: The time of transaction done through various online facilities/electronic modes offered by the AMC, for the purpose of determining the applicability of NAV, would be the time when the request of purchase/sale/switch of units is received in the servers of AMC/RTA as per terms and conditions of such facilities. Note for switching: Where there is a switch application from one scheme to another, 'Switch out' shall be treated as redemption in one scheme and the Applicable NAV based on the cut off time for redemption and payout rules shall be applied. Similarly, the 'switch in' shall be treated as purchase and the Applicable NAV based on the cut off time for purchase and realization of funds by the 'switch in' scheme related rules shall be applied. Where an application is received and time stamping is done after the cut-off time, the request will be deemed to have been received on the next Business Day.	
Minimum amount for purchase/redemption/switches (mention the provisions for ETFs, as may be applicable, for direct subscription/redemption with AMC.	Minimum amount for Purchase (Including Subsequent Purchase/SIP Purchase)	Rs. 100/- and any amount thereafter Note: The minimum application amount will not be applicable for investment made in schemes in line with SEBI guidelines on Alignment of interest of Designated Employees of AMC.
	Minimum amount for Redemption	Not Applicable
	Minimum amount for Switches	Rs. 100/- and any amount thereafter
	*In case of Units held in dematerialized mode, the redemption request	

	can be given only with DPs or on Stock exchange Platform.
Accounts Statements	The AMC shall send an 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 working Days from the date of receipt of the valid application/transaction. A Consolidated Account Statement (CAS) detailing all the transactions across all mutual funds and holding at the end of the month shall be sent to the Unit holders in whose folio(s) transaction(s) have taken place during the month. eCAS will be sent on or before 12th of the succeeding month and physical CAS will be sent on or before 15th of the succeeding month. However, if the investor wishes to opt for physical copy may request for the same. Half-yearly CAS shall be issued at the end of every six months (i.e. April and October). eCAS shall be sent on or before 18th day of succeeding month and physical CAS shall be sent on or before 21st day of succeeding month to all investors providing the prescribed details across all schemes of mutual funds and securities held in dematerialized form across demat accounts, if applicable. For further details, refer SAI.
Dividend/ IDCW	The IDCW proceeds will be paid directly into the Unitholder's bank account through various electronic payout modes such as Direct credit/NEFT/RTGS and cheques as applicable within 7 working days of the record date of IDCW In the event of delay/failure to despatch the IDCW warrants within the aforesaid period, interest for the period of delay in transfer of IDCW shall be paid by AMC to unitholders at the rate of 15% per annum along with the proceeds of IDCW.
Redemption	Units can be redeemed (sold back to the Mutual Fund) at the relevant Redemption Price. The redemption requests can be made on the pre-printed forms (transaction slip/common transaction form) or by using the form at the bottom of the account statement. The redemption request can be submitted at any of the Official Points of Acceptance of transaction, the details of which are mentioned at the end of this SID. As all allotments are provisional, subject to realization of payment instrument and subject to the AMC having been reasonably satisfied that the Mutual Fund has received clear funds, any redemption or switch out transaction in the interim is liable to be rejected at the sole discretion of the AMC. A unit Holder may request redemption of a specified amount or a specified number of Units only. If the redemption request is made for a specified amount and the number of Units is also specified by the Unit Holder, the number of Units specified will be considered for deciding the redemption amount. Unit Holders may also request for redemption of their entire holding and close the account by indicating the same at an appropriate place in the transaction slip/common transaction slip.

	It may, however, be noted that in the event of death of the Unit Holder, the nominee or legal heir, (subject to production of requisite documentary evidence to the satisfaction of the AMC) as the case may be, shall be able to redeem the investment. In case an investor has purchased Units on more than one day (either under the NFO Period or through subsequent purchases) the Units purchased first (i.e. those Units which have been held for the longest period of time), will be deemed to have been redeemed first, i.e. on a First-In-First-Out basis. In case the Units are standing in the names of more than one Unit Holder, where mode of holding is specified as Joint redemption requests will have to be signed by all joint holders. However, in cases of holding specified as 'Anyone or Survivor', any one of the Unit Holders will have the power to make redemption requests, without it being necessary for all the Unit Holders to sign. However, in all cases, the proceeds of the redemption will be paid to the first-named holder only. 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 Paragraph 15.3.3 of the SEBI Master Circular, the AMC may not be able to adhere with the timelines prescribed above. Unit Holders are encouraged and advised to submit their requests for bank mandate/ Multiple Bank Accounts Registration request atleast 10 business days prior to date of redemption / IDCW payment, if any. The AMC reserves the right to extend/modify the timelines on a case to case basis. The redemption payment will be issued in favour of the sole/ first Unit Holder's registered name and bank account number, if provided. Payment via cheque, where issued, will be sent to the address of the sole/first Holder registered with the fund at the time of dispatch entirely at the risk of the unit holder. The redemption cheque/demand draft will be payable at par at all the places where the official points of acceptance of transaction are located. Bank charges for collection of redemption proceeds will be borne by the Unit Holder. With a view to safeguarding their interest, it is mandatory that Unit Holders indicate their Bank Account No., name of the bank and branch in the application for purchasing Units of the Scheme. A fresh account statement will also be sent/emailed to redeeming investors, indicating the new balance to the credit in the account, along with the redemption cheque. Unit holders are requested to note that application for redemption or switch out for units for which funds are not realized via purchase or switch-in in the Scheme of the Fund shall be liable to be rejected. In other words, redemption of units will be processed only if the funds for such units are realized in the Scheme by a way of payment instructions/transfer or switch-in funding process. The proceeds towards redemptions and IDCW will be dispatched by a reasonable mode of dispatch like courier, speed post, UCP, etc. in case of cheque/demand draft or directly credited to the bank account (as per the details mentioned by the investor), entirely and solely at the risk of
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the investor. The Mutual Fund will endeavour to remit redemption proceeds via electronic means, as made available by RBI. Where such electronic means are not available or feasible under any circumstances, the Mutual Fund will remit the redemption proceeds by way of cheques. The investor will not hold the Mutual Fund or the AMC or the Registrar responsible for any non-receipt or delay of receipt of redemption & IDCW proceeds due to any negligence or deficiency in service by the courier company, postal authorities or the bank executing direct credits, or due to incorrect bank account details provided by the investor.

In case of redemptions, Unit holders should note that Two Factor Authentication [2FA] is mandatory for all redemption / switches including STP/SWP submitted through electronic mode. OTP will be sent to either email id or mobile number registered in the folio and the Unit holder have to confirm on the OTP received. On successful validation only, the redemptions will be accepted and processed.

Redemption by NRIs and FPIs

Credit balances in the account of an NRI/FPI investor may be redeemed by such investors in accordance with the procedure described above and subject to the procedures laid down by RBI, if any. Such redemption proceeds will be paid by means of a Rupee cheque payable to the NRI's/FPIs or by a foreign currency draft drawn at the then rates of exchange less bank charges, subject to RBI procedures and approvals.

Effect of Redemption

On redemption, the unit capital and reserves will stand reduced by an amount equivalent to the product of the number of Units redeemed and the Redemption Price as on the date of redemption. Units once redeemed will be extinguished and will not be re-issued.

Fractional Units

Since a request for purchase is generally made in Rupee amounts and not in terms of number of Units of the Scheme, a Unit Holder may be left with fractional Units. Fractional Units will be computed and accounted for up to three decimal places. However, fractional Units will, in no way, affect the Unit Holder's ability to redeem the Units, either in part or in full, standing to his/her/its credit.

Redemption by investors transacting through the Stock Exchange mechanism

Investors who wish to transact through the stock exchange shall place orders for redemptions as currently practiced for secondary market activities. Investors must submit the Delivery Instruction Slip to their Depository Participant on the same day of submission of redemption request, within such stipulated time as may be specified by NSE/BSE, failing which the transaction will be rejected. Investors shall seek redemption requests in terms of number of Units only and not in Rupee amounts. Redemption amounts shall be paid by the AMC to the bank mandate registered with the Depository Participant.

Redemption by investors who hold Units in dematerialized form

Redemption request for Units held in demat mode shall not be accepted at the offices of the Mutual Fund/AMC/Registrar. Unit holders shall submit such request only through their respective Depository Participant.

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: - Original cancelled cheque having the First Holder Name printed on the cheque [or] - Original bank statement reflecting the First Holder Name, Bank Account Number and Bank Name as specified in the application [or] - Photocopy of the bank statement / bank pass book duly attested by the bank manager and bank seal preferably with designation and employee number [or] - 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] - 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.
Delay in payment of redemption / repurchase proceeds/dividend	As per SEBI (MF) Regulations, the Mutual Fund shall transfer the redemption proceeds within 3 Working Days from the date of redemption/repurchase. In the event of delay/failure to transfer the redemption/repurchase proceeds within the aforesaid 3 Working Days, the AMC will be liable to pay interest to the Unit Holders at such rate as may be specified by SEBI for the period of such delay (currently @ 15% per annum). 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 Paragraph 15.3.3 of the SEBI Master Circular, the AMC may not be able to adhere with the timelines prescribed above. IDCW warrants shall be dispatched to the Unit Holders within 7 Working Days of the date of record date of IDCW. In the event of delay/failure to despatch the IDCW warrants within the aforesaid 7 Working Days, the AMC will be liable to pay interest to the Unit Holders at such rate as may be specified by SEBI for the period of such delay (currently @ 15% per annum). The interest on delayed payment would be computed from the record date for IDCW.

	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.
Unclaimed Redemption and Income Distribution cum Capital Withdrawal Amount	The treatment of unclaimed redemption and IDCW amounts shall be in terms of Paragraph 15.5 of SEBI Master Circular, as amended from time to time and the same is specified in SAI.
Disclosure w.r.t investment by minors	Where the investment is on behalf of minor by the guardian, please note the following important points. - 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. - Guardian of the minor should either be a natural guardian (i.e. father or mother) or a court appointed legal guardian. - 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 - Birth certificate of the minor, or - School leaving certificate / Mark sheet issued by Higher Secondary Board of respective states, ICSE, CBSE etc., or - Passport of the minor, or - any other suitable proof should be attached with the application form. - 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. - If the mandatory details and/or documents are not provided, the application is liable to be rejected without any information to the applicant. - 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. - 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 Paragraph 15.3 of SEBI Master Circular.

Requirement of Minimum Investors in the Schemes	The Scheme shall have a minimum of 20 investors each and no single investor shall account for more than 25% of the corpus of the Scheme. These conditions shall be complied with, in each calendar quarter on an average basis, as specified by SEBI. In case of non-fulfillment of the condition of 20 investors in a calendar quarter, the provisions of Regulation 39(2)(c) of the SEBI (MF) Regulations shall become applicable automatically without any reference from SEBI, and accordingly the Scheme shall be wound up and the units redeemed at the relevant applicable NAV. If there is breach of the 25% limit by any investor over the quarter, a rebalancing period of one month would be available and thereafter, the investor who is in breach of the rule, shall be given 15 days' notice to redeem his exposure over the 25% limit. Failure on the part of the said investor to redeem his exposure over the 25 % limit within the aforesaid 15 days would lead to automatic redemption on the applicable Net Asset Value on the 15th day of the notice period. The Fund shall adhere to the requirements prescribed by SEBI from time to time in this regard.
Transactions through Channel Distributors	Investors may enter into an agreement with certain distributors (with whom AMC also has a tie up) referred to as "Channel Distributors" who provide the facility to investors to transact in units of mutual funds through various modes such as their website / other electronic means or through Power of Attorney in favour of the Channel Distributor, as the case may be. Under such arrangement, the Channel Distributors will aggregate the details of transactions (viz. subscriptions/ redemptions/switches) of their various investors and forward the same electronically to the AMC / RTA for processing on daily basis as per the cut-off timings applicable to the relevant schemes. The Channel Distributor is required to send copy of investors' KYC and agreement entered into between the investor & distributor to the RTA (one time for central record keeping) as also the transaction documents / proof of transaction authorization as the case may be, to the AMC / RTA as per agreed timelines. Normally, the subscription proceeds, when invested through this mode, are by way of direct credits to the specified bank account of DSP Mutual Fund. The redemption proceeds (subject to deduction of tax at source, if any) and IDCW payouts, if any, are paid by the AMC to the investor directly through direct credit in the bank account of the investor specified by the distributor or through issuance of payment instrument, as applicable. In case KYC and other necessary documents are not furnished within the stipulated timeline, the transaction request shall be liable to be rejected or the folio will be locked for future subscriptions/ switches. The Mutual Fund, the AMC, the Trustee, along with their directors, employees and representatives shall not be liable for any errors, damages or losses arising out of or in connection with the transactions undertaken by investors or as provided by the distributors through the above mode. It may be noted that investors investing through this mode may also approach the AMC / ISC directly with their transaction requests (financial / non-financial) or avail of the online transaction facilities offered by the AMC.
Subscription of Units through Electronic Mode	Subject to the investor fulfilling certain terms and conditions as stipulated by AMC from time to time, the AMC, Mutual Fund, Registrar or any other agent or representative of the AMC, Mutual Fund, the Registrar ("Recipient") may accept transactions through any electronic mode (fax/web/ electronic transactions) ("Electronic Transactions"). The acceptance of Electronic Transactions will be solely at the risk of the

	investor and the Recipient shall not in any way be liable or responsible for any loss, damage caused to the investor directly or indirectly, as a result of the investor sending or purporting to send such transactions including where such transaction sent / purported to be sent is not processed on account of the fact that it was not received by the Recipient. The investor acknowledges that Electronic Transaction is not a secure means of giving instructions / transactions requests and that the investor is aware of the risks involved including those arising out of such transmission being inaccurate, imperfect, ineffective, illegible, having a lack of quality or clarity, garbled, altered, distorted, not timely etc. The investor's request to the Recipient to act on Electronic Transaction is for the investor's convenience and the Recipient is not obliged or bound to act on the same. The investor authorizes the recipient to accept and act on any Electronic Transaction which the recipient believes in good faith to be given by the investor and the recipient may at its discretion treat any such transaction as if the same was given to the recipient under the investor's original signature. In case there is any difference between the particulars mentioned in the fax/ web/ electronic transmission received as against the original document which may be received thereafter, the Recipient shall not be liable for any consequences arising therefrom. The investor agrees that the recipient may adopt additional security measures including signature verification, telephone call backs or a combination of the same, which may be recorded and the investor consents to such recording and agrees to co-operate with the recipient to enable confirmation of such transaction requests. In consideration of the Recipient from time to time accepting and at its sole discretion (including but not limited to the AMC extending / discontinuing such facilities from time to time) acting on any Electronic Transaction request received / purporting to be received from the investor, the investor agrees to indemnify and keep indemnified the AMC, Directors, employees, agents, representatives of the AMC, Mutual Fund and Trustees from and against all actions, claims, demands, liabilities, obligations, losses, damages, costs and expenses of whatever nature (whether actual or contingent) directly or indirectly suffered or incurred, sustained by or threatened against the indemnified parties whatsoever arising from or in connection with or any way relating to the indemnified parties in good faith accepting and acting on Electronic Transaction requests including relying upon such transaction requests purporting to come from the investor even though it may not come from the Investor. The AMC reserves the right to modify the terms and conditions or to discontinue the facility at any point of time. Unit holders should note that Two Factor Authentication [2FA] is mandatory for all subscriptions including SIP registration submitted through electronic mode. OTP will be sent to either email id or mobile number registered in the folio and the Unit holder have to confirm on the OTP received. On successful validation only, the subscriptions / systematic registration will be accepted and processed.
Process for change of address	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.

	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.
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 and/or 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. This facility will be offered to investors who wish to hold Units in dematerialized form or in physical mode. Further, the minimum purchase/ redemption amount in the respective plan / option of such notified Schemes of the Fund will be applicable for each transaction. This facility will currently not support transactions done through switches or facilities such as SWP and STP. In case of non-financial requests/applications such as change of address, change of bank details, etc., investors should approach the respective Depository Participant(s). Unit holders may have/open a beneficiary account with a Depository Participant of a Depository and choose to hold the Units in dematerialized mode. The Unit holders have the option to dematerialize the Units as per the account statement sent by the Registrar by making an application to the AMC/registrar for this purpose. Rematerialization of Units can be carried out in accordance with the provisions of SEBI (Depositories and Participants) Regulations, 2018 as may be amended from time to time. Investors, who wish to get back their securities in physical form, may request their respective Depository Participant for rematerialization of Units in their beneficiary accounts. The Depository Participant will generate a rematerialization request number and the request will be dispatched to the AMC/ Registrar. On acceptance of request from the Depository Participant, the AMC/Registrar will dispatch the account statement to the investor and will also send confirmation to the Depository participant. Transactions conducted through the Stock Exchange mechanism shall be governed by the SEBI (Mutual Funds) Regulations 2026 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.
Third Party Payment Avoidance & additional documents/ declaration required	To safeguard the interests of applicant/investors and avoid fraudulent transactions in any other name, the Mutual Fund does not accept Third Party Payments. 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.

Cash Investments in mutual funds	In order to help enhance the reach of mutual fund products amongst small investors, who may not be tax payers and may not have PAN/bank accounts, such as farmers, small traders/businessmen/workers, SEBI has permitted receipt of cash transactions for fresh purchases/ additional purchases to the extent of Rs. 50,000/- per investor, per financial year shall be allowed subject to: i. compliance with Prevention of Money Laundering Act, 2002 and Rules framed there under; the SEBI Circular(s) on Anti Money Laundering (AML) and other applicable Anti Money Laundering Rules, Regulations and Guidelines; and ii. sufficient systems and procedures in place. However, payment towards redemptions, IDCW, etc. with respect to aforementioned investments shall be paid only through banking channel. The Fund/AMC is currently in the process of setting up appropriate systems and procedures for the said purpose. Appropriate notice shall be displayed on its website viz. as well as at the Investor Service Centres, once the facility is made available to the investors.
Facility to transact in units of the Schemes through MF Utility portal & MFUI Points of Services pursuant to appointment of MF Utilities India Private Limited	The AMC has entered into an Agreement with MF Utilities India Private Limited (MFUI), for usage of MF Utility (“MFU”) - a shared services initiative of various Asset Management Companies, which acts as a transaction aggregation portal for transacting in multiple schemes of various Mutual Funds with a single form and a single payment instrument. Investors can execute financial and non-financial transactions pertaining to Schemes of the Fund electronically on the MFU portal i.e. www.mfuonline.com as and when such a facility is made available by MFUI. The MFU portal i.e. www.mfuonline.com will be considered as Official Point of Acceptance for such transactions. The Points of Service (“POS”) of MFUI with effect from the respective dates as published on MFUI website i.e. www.mfuindia.com against the POS locations will be considered as Official Point of Acceptance/ Investor Services Centre where application for financial transactions in schemes of the Fund will be accepted on an ongoing basis. Further, investors can also submit their non-financial transaction requests at the POS. The salient features of the facility to transact in units of the Schemes through MFU are given below: 1. Common Account Number (“CAN”): Investors are required to submit duly filled in CAN Registration Form (“CRF”) and prescribed documents at the MFUI POS to obtain CAN. The CRF can be downloaded from MFUI website i.e. www.mfuindia.com or can be obtained from MFUI POS. CAN is a single reference number for all investments in the Mutual Fund industry, for transacting in multiple schemes of various Mutual Funds through MFU and to map existing investments, if any. MFU will map the existing folios of investors in various schemes of Mutual Funds to the CAN to enable transacting across schemes of Mutual Funds through MFU. The AMC and / or its Registrar and Transfer

	Agent (RTA) shall provide necessary details to MFUI as may be needed for providing the required services to investors / distributors through MFUI. CAN registered investors can transact in physical mode through MFUI POS by submitting relevant Common Transaction Form prescribed by MFUI. 2. CAN registered investors can transact through electronic mode through MFU portal i.e. www.mfuonline.com as and when such a facility is made available to them by MFUI. The time of transaction submission done through MFU portal i.e. www.mfuonline.com and the successful receipt of the same in the servers of MFUI would be the time-stamp for the transaction. 3. Investors not registered with MFUI can also submit their financial & non-financial transactions request at MFUI POS by giving reference of their existing folio number allotted by the Fund. 4. The transactions on the MFU portal shall be subject to the terms & conditions as may be stipulated by MFUI / Mutual Fund / the AMC from time to time. 5. All other terms and conditions of offering of the Scheme as specified in the SID, KIM and SAI shall be applicable to transaction through MFUI.
Redemptions only for Available & Clear Units	If an investor makes a redemption request few days after purchase of Units, till clearance of funds is identified, the Mutual Fund shall have the right to reject the redemption request until such time as the Mutual Fund ensures that the amount remitted by the investor (for purchase of Units) is realized and that the proceeds have been credited to the Scheme's Account. However, this is only applicable if the value of redemption is such that some or all of the freshly purchased Units may have to be redeemed to effect the full redemption.
KYC Requirements	Investor are requested to take note that it is mandatory to complete the KYC requirements (including updation of Permanent Account Number) for all unit holders, including for all joint holders and the guardian in case of folio of a minor investor. Accordingly, financial transactions (including redemptions, switches and all types of systematic plans) and non-financial requests are liable to be rejected, if the unit holders have not completed the KYC requirements. Notwithstanding in the above cases, the AMC reserves the right to ask for any requisite documents before processing of financial and non-financial transactions or freeze the folios as appropriate. Unit holders are advised to use the applicable KYC Form for completing the KYC requirements and submit the form at the point of acceptance. Further, upon updation of PAN details with the KRA (KRA-KYC)/ CERSAI (CKYC), the unit holders are requested to intimate us/our Registrar and Transfer Agent their PAN information along with the folio details for updation in our records.
Facility to transact in units of the Schemes through MF Central	MF Central is created with an intent to be a one stop portal / mobile app for all Mutual fund investments and service-related needs that significantly reduces the need for submission of physical documents by enabling various digital / physical services to Mutual fund investors across fund houses subject to applicable Terms & Conditions of the Platform from time to time. MF Central will be enabling various features and services in a phased manner. MF Central may be accessed using https://mfcentral.com/ and a Mobile App in future.

Nomination for Mutual Fund Unit Holders	Pursuant to Paragraph 15.14 of the SEBI Master Circular with respect to nomination for unitholders, the following shall be considered: 1. New Investors: Investors who are subscribing to units of DSP Mutual Fund solely, shall submit either the nomination form or the prescribed declaration form for opting out of nomination in physical or online as per the choice of the unit holder(s). The requirement of nomination shall be optional for jointly held folio(s). 1. <u>In case of physical option:</u> The forms shall carry the wet signature of all the unit holder(s). 2. <u>In case of online option:</u> (1) The unit holder(s) shall validate the forms by using e-Sign facility recognized under Information Technology Act, 2000 or (2) Through two factor authentication (2FA) in which one of the factor shall be a One-Time Password sent to the unit holders at their email/phone number registered with the KYC Registration Authority or AMC. Implication of failure with respect to nomination: New investors subscribing solely, the application will be rejected if the applicant does not provide nomination or does not provide declaration form for opting out of nomination, duly signed in physical form or through online modes. 1. Existing Unitholders: The existing individual unitholders of DSP Mutual Fund are encouraged, in their own interest, to provide the nomination/ opting out of nomination duly signed in physical form or through online modes for ensuring smooth transmission of securities held by them as well as to prevent accumulation of unclaimed assets in securities market. 2. Who cannot nominate: The nomination can be made only by individuals applying for/holding units on their own behalf singly or jointly. Non-individuals including a Society, Trust, Body Corporate, Partnership Firm, Karta of Hindu undivided family, a Power of Attorney holder and/or Guardian of Minor unitholder Holder of Power of Attorney (POA) cannot nominate. The application will be rejected if the holder aforesaid non individual sign the nomination form.
Payment details	The 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-
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III. Other Details

A. In case of Fund of Funds Scheme, Details of Benchmark, Investment Objective, Investment Strategy, TER, AUM, Year wise performance, Top 10 Holding/ link to Top 10 holding of the underlying fund should be provided- Not Applicable.

B. Periodic Disclosures-

Fortnightly Portfolio Disclosure	The fortnightly portfolio of the Scheme, including the yield of the instrument, shall be disclosed on fortnightly basis within 5 calendar days of every fortnight in a user-friendly and downloadable format on the website viz. www.dspim.com. In case of unit holders whose e-mail addresses are registered, AMCs shall send such monthly/fortnightly statements of scheme portfolio to such unitholders via email and in such email, a link shall be provided to investors to their registered email to enable the investor to directly view/download only the portfolio of schemes subscribed by the said investor, along with the scheme risk-o-meter, name of benchmark and risk-o-meter of benchmark. 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.
Monthly Portfolio Disclosure	The monthly portfolio of the Scheme shall be available in a user-friendly and downloadable format on the website viz. 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. Refer to AMC website (https://www.dspim.com/mandatory-disclosures/portfolio-disclosures) and AMFI website (https://www.amfiindia.com/investor-corner/online-center/portfoliodisclosure) for further details.
Monthly Average Asset under Management (Monthly AAUM) Disclosure	The Mutual Fund shall disclose the Monthly AAUM under different categories of Schemes as specified by SEBI in the prescribed format on a monthly basis on its website viz. www.dspim.com and forward to AMFI within 7 working days from the end of the month.
Half Yearly Financial Results	The Mutual Fund shall, before the expiry of one month from the close of each half year, (i.e. March 31 and September 30) shall display the unaudited financial results on www.dspim.com and advertisement in this regards will be published by the Mutual Fund in at least one English daily newspaper having nationwide circulation and in a newspaper having wide circulation published in the language of the region where the Head Office of the Mutual Fund is situated. In accordance with SEBI circular no. SEBI/HO/IMD/PoD1/CIR/P/2024/150 dated November 05, 2024, disclosure w.r.t. the total recurring expenses, returns during the half year and compounded annualized yields shall be separately disclosed for direct and regular plans. Refer to AMC website (link- https://www.dspim.com/mandatory-disclosures/fund-financials), AMFI website (link- https://www.amfiindia.com/research-information/other-data/accounts-data) for further details.

Annual Report	The scheme wise annual report, in machine readable format or the format prescribed by SEBI, will be hosted on AMC's website www.dspim.com and on the website of AMFI 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. The AMC shall also send an email/SMS to all unitholders regarding the hosting of the scheme-wise annual report and will make the physical copies available to the unit holders, at their registered offices at all times. The email communication shall also include details of the modes such as SMS, telephone, email, or written request (letter) through which unit holders can submit a request for a physical copy of the scheme-wise annual report or abridged summary thereof. The AMC shall provide a physical copy of the abridged summary of the Annual Report, without charging any cost, upon specific request received from a unit holder. Investors are requested to register their e-mail addresses with the 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
Dashboard	In accordance with paragraph 6.8.2 of the 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. In accordance with Paragraph 6.19 of the SEBI Master Circular, disclosures w.r.t. expense ratio, returns and/or yield of the schemes will be made for both regular and direct plans. Refer to AMC website (https://www.dspim.com/mandatory-disclosures/dashboard) for further details.
Performance disclosure	In accordance with Paragraph 5.9 of the SEBI Master Circular, 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. In accordance with SEBI circular no. SEBI/HO/IMD/PoD1/CIR/P/2024/150 dated November 05, 2024, disclosures w.r.t. returns of the schemes will be made for both regular and direct plans. Refer to AMFI website (https://www.amfiindia.com/research-information/other-data/mf-scheme-performance-details) for further details.
Risk-o-Meter	In accordance with Paragraph 6.16.1 of the SEBI Master Circular, 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 Paragraph 6.17.1 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: - risk-o-meter of the scheme wherever the performance of the scheme is disclosed. - 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 Paragraph 21.12.6 of the Master Circular, Risk-o-meters shall be evaluated on a monthly basis and Mutual Funds/AMCs shall disclose the Risk-o-meters along with portfolio disclosure for their schemes on AMCs website and on AMFI website within 10 days from the close of each month. (Refer to AMC website

	https://www.dspim.com/mandatory-disclosures/portfolio-disclosures and refer to AMFI website 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 AMC's website and AMFI website. Refer to AMC website https://www.dspim.com/mandatory-disclosures/annual-risk-o-meter-disclosure and refer to AMFI website 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.
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). In accordance with Paragraph 6.19 of the SEBI Master Circular, disclosures w.r.t. expense ratio of the schemes will be made for both regular and direct plans. Refer to AMC website https://www.dspim.com/mandatory-disclosures/scheme-summary-document AMFI link - Research and Information - Scheme Details Best Mutual Funds India (amfiindia.com)
Special Consideration	Investor are requested to read special consideration section in SAI.

C. Transparency/NAV Disclosure:

The NAVs of the Scheme/plans will be calculated by the Mutual Fund on each Business Day and will be made available by 11 p.m. of the same Business Day.

The information on NAVs of the Scheme/plans may be obtained by the Unit Holders, on any day, by calling the office of the AMC or any of the Investor Service Centres at various locations. The NAV of the Scheme will also be updated on the AMFI website www.amfiindia.com and on www.dspim.com.

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.

If the NAVs of the Scheme for a business day (Day T) is not published till 3.00 p.m. on the following business day (T+1) due to any reason, the Investment Manager shall temporarily suspend all transactions (subscription/redemption) from T+2 business day onwards, till NAVs of the Scheme for Day T and Day T+1 are published.

In case NAV of Corporate Debt Market Development Fund ('CDMDF') units is not available by 9:30 p.m. of same Business Day, NAV declaration timing for Mutual Fund Schemes holding units of CDMDF shall be 10 a.m. on next business day instead of 11 p.m. on same Business Day.

Latest available NAVs shall be available to unitholders through SMS, upon receiving a specific request in this regard. Refer relevant disclosures mentioned in the SAI available on AMC website i.e. www.dspim.com

D. Transaction charges and stamp duty:

- Transaction Charge - In line with Paragraph 16.6.1(d)(ii)(III) of SEBI Master Circular, transaction charges paid to Mutual Fund distributors has been discontinued.
- Stamp duty - Mutual fund units issued against Purchase transactions would be subject to levy of stamp duty @ 0.005% of the amount invested.

For more details, investors are requested to refer SAI.

Standard Operating Procedure for nomination for demat accounts and Mutual Fund (MF) folios in the Indian Securities Market.

SEBI vide its Circular SEBI/HO/OIAE/OIAE_IAD-3/P/ON/2025/01650 dated January 10, 2025 and February 28, 2025, revised the norms for nomination for demat accounts and Mutual Fund (MF) folios in the Indian Securities Market.

In order to have uniformity in dealing with incapacitated investors and those with special needs or sick or old investors in the securities market, SEBI has mandated the Depositories and AMFI to put in place common Standard Operating Procedure (SOP). The detailed note is available in DSP Website (<https://www.dspim.com/downloads/sop-for-incapacitated-investor.pdf>).

This process is proposed to be implemented with effect from December 15, 2025. ‘

E. Associate Transactions- Please refer to Statement of Additional Information (SAI)

F. Taxation-

The information provided is as per the provisions of the Income Tax Act, 2025 (“the Act”), as amended by the Finance Act, 2026. 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.

\$Specified Mutual Funds

Particulars	Resident Investors	NRI/PIOs & Other Non-resident Investors other than FPI	FPI Investors	Mutual Fund
Tax on Income by Distributed Mutual Funds	Taxable at normal rates of tax applicable to the assessee (TDS: 10% As per Sl. No. 4(i) of Section 393(1))	i. Non-corporate: Taxable at normal rates (other than units purchased in foreign currency) ii. Corporates/Non-residents: 20% (for units purchased in foreign currency)	20% (u/s 210) (TDS: 20% As per Sl. No. 15 of Sec 393(2) or DTAA whichever is lower)	NIL [Sch.VII(20)]

Particulars	Resident Investors	NRI/PIOs & Other Non-Resident Investors other than FPI	FPI Investors	Mutual Fund
		(TDS: 20% As per Sl. No. 10 of Sec 393(2) or DTAA whichever is lower)		
Capital Gains - Long Term:				
Listed Units acquired prior to 1 April 2023	12.5% (u/s 197) (TDS: NIL)	12.5% (u/s 197) (TDS: 12.5% As per Sl. No. 17 of Section 393(2))	12.5% without exchange fluctuation (u/s 210) (TDS: NIL)	NIL [Sch.VII(20)]
Unlisted Units acquired prior to 1 April 2023	12.5% (u/s 197) (TDS: NIL)	12.5% without exchange fluctuation (u/s 197) (TDS: 12.5% without exchange fluctuation As per Sl. No. 17 of Section 393(2))	12.5% without exchange fluctuation (u/s 210) (TDS: NIL)	NIL [Sch.VII(20)]
Capital Gains - Short Term:				
Units acquired on or after 1st April 2023 will be short term irrespective of holding period	Taxable at normal rates of tax applicable to the assessee (TDS: NIL)	Non-corporate: Taxable at normal rates. Corporate: 35% (TDS: Non-corporates 30%, Corporates 35% u/s 393)	30% (u/s 210) (TDS: NIL)	NIL [Sch.VII(20)]

\$ As per section 76, "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). As per the said section, gains/losses from units of Specified Mutual Fund would be deemed to be short term capital gain/losses irrespective of the holding period. This is applicable for all such units which are acquired on or after Apr 1, 2023. For units which were acquired prior to that, rates applicable to long term capital gains shall be applicable if the units are held for a period of 24 months or more.

Additional Notes:

1. Income of Mutual Fund is exempt from tax as per section SchVII(20) of the Act.
2. Based on the investment objectives of the scheme, the scheme will potentially be classified as "Specified Mutual Fund" for the purpose of taxation. Accordingly, the rates covered above are as applicable to Specified Mutual Funds.
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 Act).

4. 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.

Surcharge Rates:

Particulars	Income > 50L to 1Cr	Income > 1Cr to 2Cr	Income > 2Cr to 5Cr	Income > 5Cr to 10Cr	Income > 10Cr
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%&	25%&
Firms, Local authorities	-	12%	12%	12%	12%
Co-operative societies	-	7%	7%	7%	12%
Co-operative societies ++(New regime under section 203)	10%	10%	10%	10%	10%
Domestic Company	-	7%	7%	7%	12%
Domestic Company ++(New regime under section 200)	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 as per Sl. No. 4(i) of Section 393(1).

& 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 (g) of clause (77) of section 2 who opt for the new tax regime under section 202, 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.

++ 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.

5. Any person entitled to receive any sum or income or amount, on which tax is deductible under Chapter XIX A (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:
- at the rate specified in the relevant provision of this Act; or
 - at the rate or rates in force; or
 - 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:

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

6. In case of investments by NRIs in closed ended funds during NFO, at the time of redemption of units, TDS will be deducted at the applicable rate. However, in respect of those Unit Holders

who have acquired the units on the Stock Exchange post listing of units, the Unit Holders would need to provide a certificate from a Chartered Accountant certifying the details of acquisition of units to the Fund within two days of maturity of the Scheme, so as to enable the Fund to deduct TDS at the applicable rates. In the event of such details not being provided, the Fund would deduct TDS on the redemption proceeds at the highest rate of TDS applicable.

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

G. Rights of Unitholders - Please refer to SAI for details.

H. List of official points of acceptance: <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>

I. 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 -

To refer penalties, pending litigation etc. for the last 5 financial years and wherever the amount of penalty is more than 5 lakhs, investors are requested to refer AMC website- <https://www.dspim.com/mandatory-disclosures/disclosures-under-offer-documents/penalties-pending-litigation-or-proceedings-findings-of-inspections-or-investigations>

Undertaking from Trustees

The Trustees have ensured that DSP Financial Services Sectoral Debt Fund, approved by them, is a new product offered by DSP Mutual Fund. DSP Financial Services Sectoral Debt Fund has been approved by the Trustees on April 27, 2026.

Notwithstanding anything contained in this SID, the provisions of the SEBI (MF) Regulations, 2026 and the guidelines there under shall be applicable.

For DSP Trustee Private Limited
Trustee: DSP Mutual Fund

Place: Mumbai
Date:

Sd/-
Ms. Pravin Tripathi
Director