

**DSP Fund Managers IFSC Private Limited**

**Valuation Policy and procedure**

**(Outbound Fund)**

### Valuation Policy and determination of Net Asset value of the units

#### **For the purpose of determining the Net Asset Value:**

- (i) the value of any cash on hand or on deposit, bills, demand notes, accounts receivable, prepaid expenses, cash dividends and interest declared or accrued and not yet received shall be deemed to be the full amount thereof unless the Board shall have determined that any such deposit, bill, demand note or account receivable is not worth the full amount thereof in which event the value thereof shall have deemed to be such value as the Board shall deem to be the reasonable value thereof;
- (ii) where a forward contract has been entered into for the sale or purchase of any currency the currency required to be delivered by the Scheme shall be included in the liabilities of the Scheme and there shall be included in the assets of the Scheme the value of the currency to be received;
- (iii) any value (whether of a security or cash) otherwise than in U.S. Dollars shall be converted into U.S. Dollars at the rate (whether official or otherwise) which the Board shall in their absolute discretion deem appropriate to the circumstances having regard, inter alia, to any premium or discount which they consider may be relevant and to costs of exchange;
- (iv) the following method will be adopted to value securities:

#### **Equity and Equity related Securities**

<b>Category</b>	<b>Policy</b>
<b><u>Traded</u></b>	<p>Foreign security shall be valued based on the last quoted closing price available on the overseas stock exchange, where the security is listed on multiple exchanges, price of the primary stock exchange in the respective jurisdiction would be considered for valuation.</p> <p>When a security is not traded on stock exchange on the date of valuation, then the previous closing price will be used for valuation, provided such closing price is not exceeding a period of 30 calendar days.</p> <p>However, in case of an extra ordinary event in other markets during the market hours or post the closure of the markets but before NAV computation, the FME shall value the security at suitable fair value as determined by the Board of Directors on a case-to-case basis. Further the board reserves right to suitably modify the defined priority or valuation methodology by documenting rationale for exception to the above defined policy.</p>
<b><u>Non Traded</u></b>	<p>Where the security is not traded, on the date of valuation, on any of the exchanges the last quoted closing price on the selected / primary stock exchange shall be used provided such date is not more than thirty days prior to the valuation date. Securities not traded for more than thirty days shall be valued by FME at fair value after considering relevant factors on case-to-case basis.</p>

Category	Policy
<b>Unlisted</b>	In case of unlisted securities, the Company may appoint an independent valuer to carry out periodic valuations as per internationally acceptable methodologies. An unlisted equity share may be valued at a price other than the value derived using the aforesaid methodology at the discretion of the Board in consultation with the FME.

### Other Securities

Category	Policy
<b>Other Securities</b>	<p><u>Fixed Income Securities</u> Fixed Deposits will be valued at cost plus accruals. Fixed-income securities for which market quotations are available shall be valued using such security's closing market price. Other debt and money market securities shall be valued as per the price provided by approved independent third party price providers in the respective markets.</p> <p><u>Units of Mutual Funds including Exchange Traded Funds</u> Mutual Fund Units (including ETF's) listed and traded on exchanges would be valued at the last quoted closing price on the overseas stock exchange, where the security is listed on multiple exchanges, price of the primary stock exchange in the respective jurisdiction would be considered for valuation. Unlisted Mutual Fund Units and listed but not traded Mutual Fund Units (including ETF's) would be valued at the NAV as on the valuation day. In case if on any valuation day the overseas mutual fund is having a non-business day then previous day closing price / NAV would be considered for valuation</p> <p><u>REITs/InvITs</u> On the valuation day, at the last quoted closing price on the stock exchange, where such security is listed. In case if it's not traded on the valuation day, the board of directors would recommend appropriate valuation methodology to determine the fair value.</p> <p><u>Valuation of Securities under Securities Lending and Borrowing</u> The valuation of securities lent under Securities Lending &amp; Borrowing segment will be valued as per the standard valuation policy laid down from time to time. The lending fees received for the Securities lent out and the lending fees paid for the securities borrowed will be amortized over the tenure of the contract.</p> <p><u>Exchange Traded Derivative instruments</u> Exchange traded derivatives shall be valued at the price quoted on the Stock Exchange.</p> <p>When a security is not traded on the respective stock exchange on the date of valuation, then the settlement price / any other derived price provided by the respective stock exchange.</p>

Category	Policy
	<p data-bbox="475 247 878 279"><u>Forward foreign exchange contracts</u></p> <p data-bbox="475 283 1360 548">The value of forward foreign exchange contracts which are dealt in on a Recognized Market shall be calculated by reference to the price at which a new forward contract of the same size, currency and maturity as determined by the relevant Recognized Market could be effected as at the Valuation Point, provided that if such market price is not available for any reason, such value shall be calculated in such manner as the Board shall, in consultation with the FME, determine to be the price at which a new forward contract of the same size, currency and maturity could be effected.</p> <p data-bbox="475 583 1360 680">Forward foreign exchange which are OTC derivative contracts may be valued by reference to freely available market quotations or at any price deemed to be fit by the Board.</p>

On valuation date, all assets and liabilities denominated in currency other than base currency of the fund shall be converted into base currency of the fund at the applicable foreign exchange rate.