



DSP BLACKROCK

GOVERNMENT SECURITIES FUND – PLAN A

LONGER DURATION PLAN



DSP BLACKROCK
MUTUAL FUND

Outlook:

- The Government bond market is bracing up for further borrowing by the Government to bridge the gap in the revenue collection. Judging by the interim budget the Government is going to borrow Rs. 1,000 crore a day on an average over next 13 months.
- We expect bond yields to trend up due to the Government borrowings. The Government bond yield curve is likely to steepen as heavy supply at the long-end of the curve may keep long bond yields elevated.
- Money market rates have come down by 15-25 basis points in the last fortnight. However, we expect them to firm up towards the middle of March on account of advance tax outflows and redemption pressures in the mutual funds.
- Corporate bond spreads have narrowed to 245 basis points from around 300 basis points primarily due to upward movement in the Government bond yields amid thin trading activity.

Strategy

- We expect the Government bond yield curve to steepen further
- We prefer Government bonds with maturities between 5Y and 10Y on a relative value basis
- We remain underweight on long term Government bonds with higher focus on medium-term Government bonds

Comparative performance [as on Feb 27, 2009]

PERIOD	COMPOUNDED ANNUALISED RETURN	
	DSPBRGF - Plan A	LIBEX [^]
6 Months	26.49%	23.30%
1 Year	24.88%	15.62%
3 Years	12.30%	10.51%
5 Years	8.65%	7.14%
Since Inception	12.98%	13.83%
NAV / Index Value (Feb 27)*	Rs. 31.5671	6,351.56

[^]Benchmark. Returns < 1 year are absolute returns. Since inception returns are calculated on Rs. 10/- invested at inception, viz. date of allotment, Sept 30, 1999. All returns are for Growth Option. *Last Business Day of the month. **Past performance may or may not be sustained in future and should not be used as a basis for comparison with other investments.**

Features:

Date of Inception	: September 30, 1999
Entry Load	: NIL
Exit Load	: For investment amount
(For Regular & SIP Investors)	>= Rs. 50 Lakh: NIL < Rs. 50 Lakh For holding period from the date of allotment: < 6 months: 1% >= 6 months: NIL
Cut off time	: 3.00 pm for subscription/redemption
Minimum Application Amount	: Rs. 5000/-
Options	: Growth, Dividend (Payout & Reinvest) and Monthly Dividend (Payout & Reinvest)
Dividend Distribution Tax [#]	: Individuals & HUF-14.1625 % p.a., (Including surcharge and education cess) Others- 22.66 % p.a.

[#]Provided for general information purposes only and not to be construed as any advice.

Portfolio as on February 28, 2009

	NAME OF THE INSTRUMENT	RATING	% TO NET ASSETS
Central Government Securities			
1	8.24% CGL 2018	SOV	33.59%
2	07.95% CGL 2032	SOV	24.47%
3	6.83% CGL 2039	SOV	19.22%
4	7.46% CGL 2017	SOV	5.23%
	07.56% CGL 2014	SOV	0.37%
	Total		82.88%
	CBLO / Reverse Repo Investments		13.86%
	Total		13.86%
	Cash & Cash Equivalent		
	Net Receivables/Payables		3.26%
	Total		3.26%
	GRAND TOTAL		100.00%

Total AUM: Rs. 403.68 crore **Modified Duration:** 9.04 years **Average Maturity:** 15.60 years

DSP BlackRock Government Securities Fund (DSPBRGF/Scheme) is an open ended income Scheme, seeking to generate income through investment in Central Government Securities of various maturities. There are two plans - Plan A (Longer Duration Plan) & Plan B (Shorter Duration Plan). **Asset Allocation:** Central Government securities, repos / reverse repos in Central Government securities as may be permitted by Reserve Bank of India: 80%-100%; Call money market or alternative investment for call money market as may be provided by the Reserve Bank of India: 0%-20%. **Features:** Declaration of NAV on all Business Days. Redemption normally within 2 Business Days. Switching, SIP, STP & SWP facilities available. **Statutory Details:** DSP BlackRock Mutual Fund was set up as a Trust and the settlors/sponsors are DSP ADIKO Holdings Pvt. Ltd. & DSP HMK Holdings Pvt. Ltd. (collectively) and BlackRock Inc. (Combined liability restricted to Rs. 1 lakh). Trustee: DSP BlackRock Trustee Company Pvt. Ltd. Investment Manager: DSP BlackRock Investment Managers Ltd. Risk Factors: Mutual funds, like securities investments, are subject to market and other risks and there can be no assurance that the Scheme's objectives will be achieved. As with any investment in securities, the NAV of Units issued under the Scheme can go up or down depending on the factors and forces affecting capital markets. Past performance of the sponsor/AMC/mutual fund does not indicate the future performance of the Scheme. Investors in the Scheme are not being offered a guaranteed or assured rate of return. Each Scheme/Plan is required to have (i) minimum 20 investors and (ii) no single investor holding >25% of corpus. If the aforesaid point (i) is not fulfilled within the prescribed time, the Scheme/Plan concerned will be wound up and in case of breach of the aforesaid point (ii) at the end of the prescribed period, the investor's holding in excess of 25% of the corpus will be redeemed as per SEBI guidelines. DSPBRGF is the name of the Scheme and does not in any manner indicate the quality of the Scheme, its future prospects or returns. For scheme specific risk factors, please refer the Scheme Information Document (SID). **For more details, please refer the Key Information Memorandum cum Application Forms, which are available on the website, www.dspblackrock.com, and at the ISCs/Distributors. Please read the SID and Statement of Additional Information carefully before investing.**