

WORLD GOLD FUND



INVESTING IN GOLD MINING COMPANIES

AN OPEN ENDED INTERNATIONAL FUND OF FUNDS SCHEME – NOT AN ETF

DSP BLACKROCK
MUTUAL FUND

Why “Gold” continues to be among the best performing asset class?

- Investment demand for gold is among the key factors influencing prices at present, and has been driven largely by global economic concerns and by the potential longer-term inflationary consequences of central bank’s monetary policies.
- The prime driver of gold price in the recent months has been the fluctuations in the US Dollar.
- Consumption demand is showing signs of improvement while investment demand remained the strongest driver.
- Global production has been falling.

Gold Market Update

- Gold bullion gained 6.0% over the month to close at \$1,179/oz on the back of continued investors concerns over the Greek crisis and the prospect of this spreading to other countries.
- The Australian government proposed a Resources Super Profits Tax (RSPT). This tax, at 40%, applies to earnings from resource deposits in Australia from July 2012. The current proposal by the Australian government is deemed to be negative for those operating in Australia but it is likely that the proposed legislation will evolve before it is finalized.
- It is notable that recently there has been a distinct lack of gold supply into the market from European Central Banks and the only known vendor has been the IMF, indicating that central banks are increasingly reluctant to sell down their gold holdings.
- The BGF World Gold Fund portfolio holding in Lihir Gold positively contributed to performance this month following a bid by Newcrest Mining as mentioned above.
- Newcrest Mining followed up their previous bid for Lihir Gold with a higher offer of which was positively received with Lihir directors. This merger will increase Newcrest’s gold reserves by almost 45% creating the fourth largest listed gold company in the world with assets in Australia, Papua New Guinea, Indonesia, Fiji and Africa.
- The Portfolio continued to add to it’s holdings in high conviction mid-tier companies with good production growth capabilities.

Source: Internal

What are the fundamentals behind this rally?

- The emergence of ETFs has partly facilitated the growth in investment demand. The factors that have encouraged investment demand remain in place – concerns about the value of the US dollar or longer-term inflation are at the top of this list.
- Other positive long-term factors include falling mine supply and the potential for a reduction in net central bank sales, which will all be supportive of prices.
- The move by central banks towards QE (quantitative easing) and the possibility of weakness in the US Dollar to be likely catalysts for further investment in gold

Source: Internal

Why invest in DSP BlackRock World Gold Fund?

- DSP BlackRock World Gold Fund invests predominantly in units of BlackRock Global Funds - World Gold Fund (BGF - WGF), which has a 15 year performance track record, and is one of the largest funds in its category* with net AUM of US\$ 7.06 bn^ (Rs. 31,375 crore) **
- BlackRock has one of the strongest Natural Resources team in its industry and has won numerous industry awards for investment performance.
- Investors have access to the stock selection skills of a highly regarded and experienced Natural Resources team at BlackRock.
- BGF - WGF enjoys the maximum - AAA rating, from both Standard & Poor’s and OBSR.

Past performance is no guarantee of future results.

*Funds investing in gold mining companies **As per conversion rate (RBI) on April 30, 2010: USD/INR = 44.44
^Source: BlackRock BGF - World Gold Fund Sectoral Allocation

DSP BlackRock World Gold Fund - Portfolio

	% of Net Assets
BGF - World Gold Fund	99.9%
CBLO / Reverse Repo Investments	0.9%
Receivable/ (Payable)	(0.8)%
Total	100.0

Total AUM as on Apr 30, 2010: Rs. 1,359.78 crores

BGF - World Gold Fund Sectoral Allocation

Sector Allocation	% of Net Assets
Gold	82.2%
Silver	9.6%
Platinum	5.1%
Diversified	2.5%
Diamonds	0.4%
Cash	0.2%
Total	100.0%

Source: BlackRock; data as on Apr 30, 2010

BGF - World Gold Fund - Top 10 Holdings

	% of Net Assets
Newcrest Mining Ltd.	8.9%
Kinross Gold Corp.	6.6%
Newmont Mining Corp.	6.2%
Lihir Gold Ltd.	5.9%
Goldcorp Inc.	5.2%
Randgold Resources Ltd.	5.0%
Fresnillo Plc	4.7%
Compania De Minas Buenaventura S.a	4.7%
Anglogold Ashanti Ltd.	4.0%
Impala Platinum Holdings Ltd.	3.9%
Total	55.0%

Source: BlackRock; data as on Apr 30, 2010

DSP BlackRock World Gold Fund - Performance

	DSP BlackRock World Gold Fund	FTSE Gold Mines (cap) Index [^]
Last 1 Year	29.95%	27.49%
Since Inception	17.08%	14.20%
NAV / Index Value (Apr 30, 2010)	Rs. 15.1333	147,726.89

[^] Benchmark. The 'since inception' returns are calculated on Rs. 10/- invested at inception. For this purpose the inception date is deemed to be the date of allotment (September 14, 2007).

Past performance may or may not be sustained in future and should not be used as a basis for comparison with other investments.

Performance in INR term as on April 30, 2010. The Returns of the Scheme shown are for the Growth Option (Regular Plan). Source: Bloomberg

Features

- **Minimum investment and minimum additional purchase**
 - Regular Plan: Rs. 5,000/- and Rs. 1,000/- thereafter.
 - Institutional Plan: Rs. 5 crore and Rs. 1,000/- thereafter.
- **Options available (for both plans)**
 - Growth • Dividend
 - Payout Dividend - Reinvest Dividend
- **Entry load:** Nil
- **Exit load (both plans):**
 - For holding period < 12 months: 1%;
 - For holding period >= 12 months - NIL

Investors shall bear the recurring expenses of the Scheme in addition to the expenses of the underlying scheme(s) in which the Scheme will make investment

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Investment Objective: DSP BlackRock World Gold Fund (DSPBRWGF) is an open ended fund of funds scheme, investing in gold mining companies through an international fund, and the primary investment objective is to seek capital appreciation by investing predominantly in units of BlackRock Global Funds - World Gold Fund. The Scheme may, at the discretion of the Investment Manager, also invest in the units of other similar overseas mutual fund schemes, which may constitute a significant part of its corpus. **Asset Allocation:** Units of BGF-WGF or other similar overseas mutual fund scheme(s): 90% to 100%; Money market securities and/or units of money market/liquid schemes of DSP BlackRock Mutual Fund: 0% to 10%. **Features:** SIP only in Regular Plan, SWP & STP available in each plan of the scheme. Nomination facility available, subject to applicable conditions as per the Statement of Additional Information (SAI) and Scheme Information Document (SID). Declaration of NAV on all Business Days by 10 a.m. of the next Business Day. Redemption normally within 5 Business Days. Sale and Redemption of Units on all Business Days at Purchase Price and Redemption Price respectively. **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 Pvt. 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. If the SEBI limits for overseas investments allowed to the Mutual Fund are expected to be exceeded, subscriptions and switches into the Scheme may be temporarily suspended / SIP/STP into the Scheme may be terminated. **DSPBRWGF 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 SAI carefully before investing.**