

DSP BLACKROCK WORLD ENERGY FUND

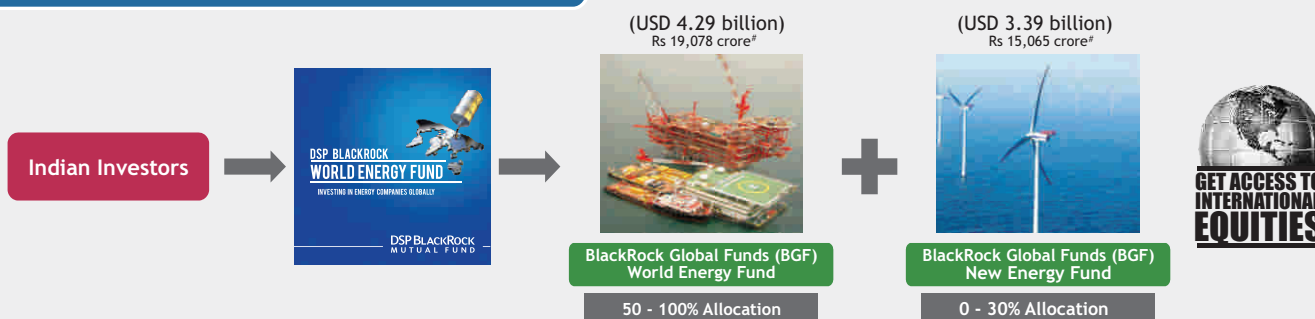


INVESTING IN ENERGY COMPANIES GLOBALLY

AN INTERNATIONAL FUND OF FUNDS SCHEME

DSP BLACKROCK
MUTUAL FUND

Product Construct



#Source: BlackRock; AUM of BGF funds as on Apr 30, 2010; As per conversion rate (RBI) on Apr 30, 2010: USD/INR = 44.44

Why Invest In DSP BlackRock World Energy Fund?

Energy Sector

- Globally, valuations of oil companies are near their historical lows
- Demand - Supply gap for oil to continue to increase over time
- Investing in oil companies could be a potential hedge against the prospect of rising inflation

Pricing flexibility available to global oil companies

- Oil companies in India governed by "Administered Pricing" - Therefore they cannot generally benefit from rising oil prices
- Global oil companies enjoy considerable pricing flexibility

Unique opportunity to invest globally in companies within these sectors

New Energy Sector

- Due to global warming issues - Governments all over the world have made investments in the sector mandatory
- With technology advancements, costs of alternate energy is declining, which is accelerating growth in companies within this sector

Performance and Outlook

Mixed month for the energy market

- The crude oil price gained 2.9% to finish the month at \$86.2/barrel (WTI) after an unexpected fall in US gasoline stocks and positive economic data from the US.
- The oil price rose for a third consecutive month as the Fed announced they would continue to keep interest rates low, which was deemed to be positive for projected demand in the world's largest consumer of oil.
- Climate Exchange, owner of the largest exchange for trading carbon dioxide emissions in Europe, agreed to a £395m cash takeover by US group Intercontinental Exchange (ICE). This represents a 57% premium to the last traded price before the deal was announced and wind turbine designs to market leader Sinovel and Dongfang Electric.

Portfolio Activity

- The BGF World Energy Fund portfolio used weakness in the market to add to a number of high conviction holdings, and took profits from select US exploration and production companies.
- Shares in BP, Transocean, Cameron International, Anadarko and Halliburton fell hard after an explosion on, and the subsequent sinking of, a Transocean rig working for BP in the Gulf of Mexico.
- US gas exploration and production companies EOG and Newfield impressed the market with announcements of strategic moves to boost the oil production mixes going forward, and the stocks rose by 21% and 12% respectively as a result.
- Strong performance came from both Newfield and EOG Resources (as outlined above) following positive reporting for Q1 2010.
- Pacific Rubiales, a Colombian exploration and production company, reported an estimate 251m barrels of oil at its Quifa oil field (which has now been approved for development by the Colombian government), and the stock ended the month up 17%.

- The main detractor from performance was the fund's holdings in companies operating in the Gulf of Mexico as these were negatively affected by the Macondo oil spill.
- The BGF New Energy Fund Portfolio used weakness in the market to add to a number of high conviction holdings, and took profits from select companies in the renewable sub-sector. The fund also benefited from holdings in Vestas Wind Systems and Shaw Group as both companies rallied following positive order flows and good quarterly results.

Outlook

- As we move into 2010 most of the emerging market economies look in good health, although questions still hang over the OECD nations. The latest economic data from developed countries leave us cautiously optimistic that global demand for oil can continue to improve in the short to medium term. Growing the supply of non-OPEC oil looks challenged for the next couple of years, and OPEC seem likely to target a price around today's level with their production quotas.
- Without the commodity price momentum that we witnessed in 2009, stock picking looks set to be key in 2010. In the portfolio we have targeted companies with specific stories focusing on production growth, asset addition and project derisking, while de-emphasising and avoiding those companies that will struggle to grow.
- Looking into 2010, we expect to see positive legislation announcements in China, as well as the potential passage of a US energy and climate bill. This would remove one of the current impediments to additional product demand within the US market.
- The prices of global energy commodities have risen substantially as the economic outlook has improved. Despite the recent interruption, rising energy demand over the longer term is likely to cause energy prices to rise further. When this trend is set against the continuing cost improvements within the New Energy sector, the cost competitiveness of alternative technologies becomes increasingly favourable.

DSP BlackRock World Energy Fund - Portfolio

	% of Net Assets
BGF - World Energy Fund	94.6%
BGF - New Energy Fund	4.8%
CBLO / Reverse Repo Investments	0.9%
Receivable/ (Payable)	(0.3)%
Total	100.0

Total AUM as on Apr 30, 2010: Rs. 351.13 crores

DSP BlackRock World Energy Fund - Performance

	DSP BlackRock World Energy Fund	Composite Benchmark Index [^]
Since Inception	0.53%	14.59%
NAV / Index Value (Apr 30, 2010)	Rs. 10.0526	114.59

[^] 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 (August 14, 2009). **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

BGF - World Energy Fund - Top 10 Holdings

Anadarko Petroleum Corp.	6.0%
Occidental Petroleum Corp.	5.7%
Conocophillips	4.5%
Schlumberger Ltd.	3.8%
Niko Resources Ltd.	3.7%
Halliburton Co.	3.6%
Canadian Natural Resources Ltd.	3.4%
Apache Corp.	3.1%
Bg Group Plc	3.0%
Newfield Exploration Co.	2.8%
Total	39.6%

Source: BlackRock; data as on Apr 30, 2010

BGF - New Energy Fund - Top 10 Holdings

Vestas Wind Systems A/s	6.9%
Itron Inc.	6.6%
Fpl Group Inc	5.3%
Iberdrola Renovables S.a.	5.2%
American Superconductor Corp.	5.1%
Archer Daniels Midland Co.	5.0%
Johnson Controls Inc.	3.8%
Johnson Matthey Plc	3.5%
Wacker Chemie Ag	3.4%
Gamesa Corporacion Tecnologica S.a	2.5%
Total	47.2%

Source: BlackRock; data as on Apr 30, 2010

DSP BlackRock World Energy Fund: Scheme Features

Minimum Investment:

Regular Plan Rs. 5,000/- (Additional Purchase: Rs. 1,000/-)

Institutional Plan Rs. 5 crore (Additional Purchase: Rs. 1,000/-)

Options Available:

- Growth
- Dividend
- Payout - Reinvest

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

Load Structure:

- **Entry Load:** NIL
- **Exit Load (both Plans):**
For holding period < 12 months: 1%
For holding period >= 12 months: NIL

DSP BLACKROCK MUTUAL FUND

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Investment Objective: DSP BlackRock World Energy Fund (DSPBRWEF) is an open ended Fund of Funds Scheme investing in international funds and the primary investment objective of the Scheme is to seek capital appreciation by investing predominantly in the units of BlackRock Global Funds - World Energy Fund (BGF - WEF) and BlackRock Global Funds - New Energy Fund (BGF - NEF). 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. The Scheme may also invest a certain portion of its corpus in money market securities and/or money market/liquid schemes of DSP BlackRock Mutual Fund (Fund), in order to meet liquidity requirements from time to time. There is no assurance that the investment objective of the Scheme will be realized. **Asset Allocation:** 1. Units of BGF - WEF# or other similar overseas mutual fund scheme(s): 50% to 100% 2. Units of BGF - NEF# or other similar overseas mutual fund scheme(s): 0% to 30% 3. Money market securities and/or units of money market/liquid schemes of the Fund: 0% to 20% (#in the shares of BGF - WEF and BGF - NEF, Undertaking for Collective Investment in Transferable Securities (UCITS) III fund). **Features:** Min Investment - Regular Plan-Rs. 5,000/-; Institutional Plan Rs 5 crore. **Load Structure & Expenses:** Entry Load: NIL. Exit load: Holding Period < 12 months: 1%, Holding Period >= 12 months: NIL. **Investor Benefits & General Services:** Sale (at Purchase Price) and redemption (at Redemption Price) on all Business Days (Redemption normally within 5 Business Days). SIP, SWP, STP & Nomination facilities available. 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. Declaration of NAV for each Business Day by 10 a.m. of the next Business Day. **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. **DSPBRWEF 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.**