

# DSP BLACKROCK WORLD AGRICULTURE FUND

INVESTING IN AGRICULTURAL COMPANIES THROUGH  
INTERNATIONAL FUNDS

AN OPEN ENDED FUND OF FUNDS SCHEME

## Product Construct

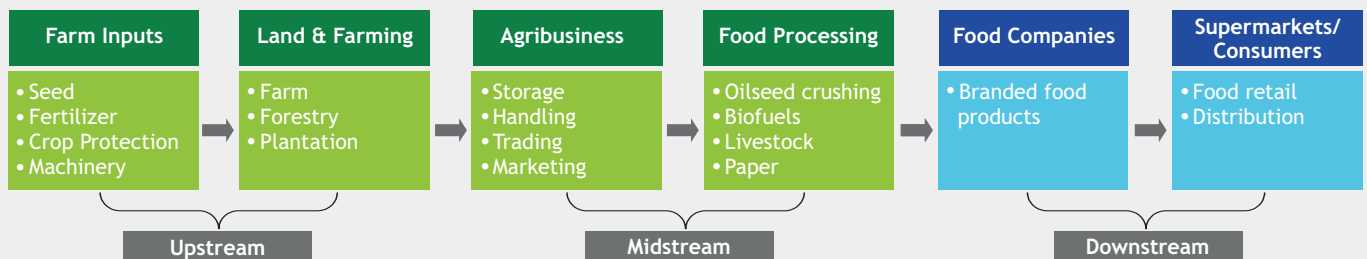


#Source: BlackRock; AUM of BGF World Agriculture Fund as on Aug 31, 2011; Exchange Rate: USD/ INR = 46.019

## Agriculture Sector: Growth Drivers

- The agricultural cycle is often characterized by rising commodity prices driven by **imbalance between food supply and demand**
  - Rise in global population is driving food demand upwards. Global food production needs to increase by 70% by 2050 to cope with this rising demand
  - Rising affluence of urban population leads to improvement in diet. The growing protein demand from developing countries requires exponential growth of grains output for livestock production
  - Growth of the biofuel sector is another structural source of demand for various crops
  - On the supply side, availability of arable land is declining steadily, which will present a huge challenge to meet rising demand
  - While grain production has been rising over the past two decades, it is being outpaced by rising consumption
  - Gradual decline in inventory results in a market that is more prone to supply shocks from adverse climatic conditions or government intervention in global grains trade
- Rise in commodity prices will drive the increase in global farm income and provide farmers with incentive to improve productivity
- Companies providing goods and services to farmers would benefit from the investment cycle in the global farming sector
- The rising grain prices lead to sound farm economics and a strong economic case for farmers to improve productivity on a global scale
- This will provide a good long term investment opportunity into the agricultural sector

## Agriculture Sector: Value Chain



## DSP BlackRock World Agriculture Fund: Key Investment Themes

### Agricultural Science Companies

Advanced seed and chemical technologies are increasingly applied by farmers. Increased crop value justifies the economic use of crop protection chemicals to protect yield.

### Fertilizer

The increasingly sophisticated agronomy recommends regular fertilizer application to produce optimal crop yield. The ambition of developing countries to boost domestic production would require a sustainable increase in fertilizer application to correct the under-fertilized soil.

### Agricultural Equipment

Increased intensity of cultivation requires the use of state-of-the-art farming equipment, such as GPS technology. The higher value of crops at stake creates the demand for irrigation equipment. The consolidation of farms in emerging markets gives rise to demand for scalable use of advanced equipment.

### Agribusiness

The rising crop production and global food trade gives rise to opportunities for companies in the logistics business. Companies with global crop sourcing / trading networks and strategic ports and transportation assets are set to benefit.

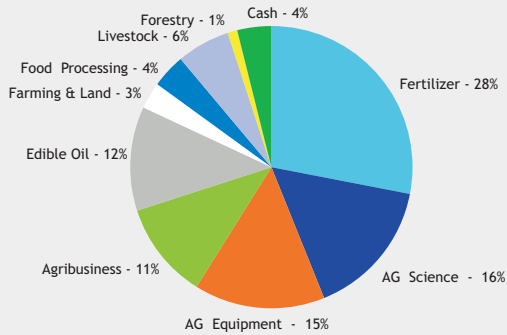
### Food Processors

Food processing companies would benefit from higher crop production and lower grain prices. Also, the rising affluence of developing countries drives demand growth for products such as edible oil.

### Land & Farming

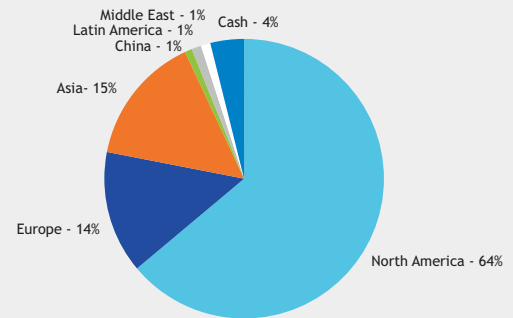
Farm operating companies offer exposure to the underlying commodity prices while farm developers focus on an uplift in farm property prices by converting fallow land into productive farms. This is still a young sector with a pipeline of new companies starting up globally to capture opportunities in different geographies and crop varieties.

## Sector Allocation: BGF World Agriculture Fund



Source: BlackRock; Data as on Aug 31, 2011

## Geographic Allocation: BGF World Agriculture Fund



Source: BlackRock; Data as on Aug 31, 2011

## BGF World Agriculture Fund

- Launched on 9th February 2010
- Fund Managers: Desmond Cheung & Richard Davis
- AUM: USD 586m/INR 2,697 cr
- 40-70 holdings
- Benchmark - DAX Global Agribusiness Index

#Source: BlackRock; AUM of BGF World Agriculture Fund as on Aug 31, 2011;  
Exchange Rate: USD/INR = 46.019

## BGF World Agriculture Fund - Top 10 Stocks

Company	% of Scheme
Potash Corp	9.2%
Monsanto Co.	7.9%
Deere & Co	7.6%
Syngenta	6.6%
Wilmar International	5.2%
Archer-Daniels Midland	4.6%
Mosaic	4.6%
BRF Brasil Foods	3.9%
Agrium	3.8%
Yara International	3.5%
<b>Total</b>	<b>57.0%</b>

Source: BlackRock; Data as on Aug 31, 2011

## DSP BlackRock World Agriculture Fund: Scheme Features

**Terms of Issue:** Rs. 10/- per Unit

**Minimum Investment:** Rs. 5,000/- (Additional Purchase: Rs. 1,000/-)

**Options Available:**

- Growth
- Dividend
- Payout - Reinvest

**Load Structure**

- **Entry Load:** NIL
- **Exit Load:** Holding period <12months: 1%; Holding period >= 12 months: Nil

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**DSP BLACKROCK**  
MUTUAL FUND

**Investment Objective:** 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 Agriculture Fund (BGF - WAF). 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. 'Similar overseas mutual fund schemes' shall have investment objective, investment strategy and risk profile/consideration similar to those of BGF - WAF. **Asset Allocation:** 1. Units of BGF - WAF# or other similar overseas mutual fund scheme(s): 95% to 100% 2. Money market securities and/or units of money market/liquid schemes of DSP BlackRock Mutual Fund: 0% to 5% #in the shares of BGF - WAF, Undertaking for Collective Investment in Transferable Securities (UCITS) III fund. **Terms of Issue:** Rs. 10/- per Unit. Min Investment - Rs. 5,000/- and multiple of Re. 1/- thereafter. **Load Structure & Expenses:** Entry Load - NIL Exit Load- For holding period < 12 months: 1%; for holding period >= 12 months: Nil. **Investor Benefits & General Services:** During Continuous Offer, 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 Fund are expected to be exceeded, the NFO may be closed / subscriptions and switches into the Scheme (During Continuous Offer) 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. **DSP BlackRock World Agriculture Fund is the name of the Scheme and does not in any manner indicate the quality of the Scheme, its future prospects or returns.** Mutual Fund Units involve investment risks including the possible loss of principal. Scheme specific risk factors such as, risk associated with underlying schemes, risk associated with overseas investments, risk associated with investment in debt and money market instruments, risk associated with transaction in Units through the stock exchange mechanism and risk associated with trading in derivatives shall be applicable. For detailed scheme specific risk factors, please refer the Scheme Information Document (SID). For more details, please refer the SID, Statement of Additional Information and Key Information Memorandum cum Application Forms, which are available on the website, www.dspblackrock.com, and at the ISCs/Distributors. Please read the Scheme Information Document and Statement of Additional Information carefully before investing.