



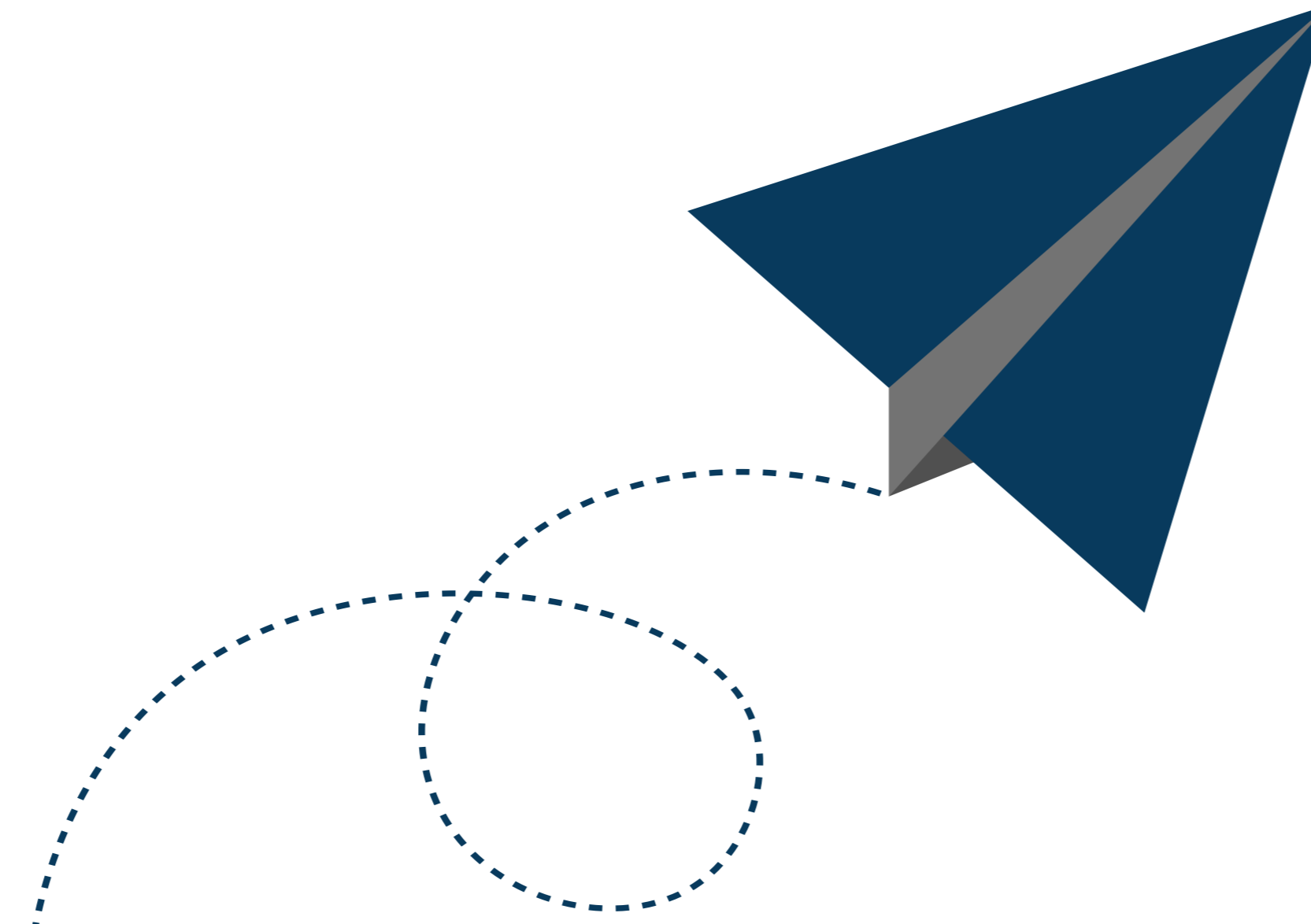
THE NAVIGATOR

What do I do with my money?

December 2025

Objective: Why Navigator?

1. At DSP, we aim to help investors identify the right theme/fund at the right time for a smoother journey.
2. The team at DSP crafts many knowledge enhancing products such as Netra, Tathya, The Transcript, The Report Card, Converse and **others**. Navigator aims to bring some of these insights together and recommends funds too
3. For anyone interested in knowledge enhancement, it offers a rounded perspective on drivers of returns- earnings, valuations, macros, flows, interest rates and gives pointed views on asset classes.



The Drivers Of Returns

- Valuations
- Earnings
- Macros & Flows
- Interest rate cycle

Navigating Today: What Are We Saying?

Equity

- Earnings growth has slowed. Equity indices continue to remain close to lifetime highs.
- Recently, there has been some weakness in smaller and microcap stocks.
- This is more a sign of market becoming narrow and dependent on largecap and bluechips names. Unlike the US market, where the Megacaps run ROE of more than 35% and are reporting profit growth in excess of 20%. Indian largecaps are witnessing profit growth of less than 10% while they at ROEs of close to 18% to 20%. This means Indian largecap universe can provide a hiding place for investors until the earnings cycle recovers. Till then the rest of the universe should be approached with caution.
- **Remain conservative and choose hybrids strategies to put fresh investment capital.**

Fixed income:

- Patchy growth plus fiscal discipline is creating an opening in Indian government bonds, especially 10-year and longer maturities.
- Central government gross market borrowing has stabilised as a share of GDP, so net G-Sec supply is rising more slowly than the economy, easing upward pressure on yields.
- CPI inflation has cooled into the slow lane, near multi-decade lows.
- With nominal GDP growth minus the 10-year G-Sec yield down to ~2.5% to 3%, there is room for lower policy and term rates if growth stays uneven. And with the repo-to-10-year spread still about 1 percentage point, investors extending duration can earn carry plus potential capital gains, making 6.55% to 6.65% on the 10-year an attractive entry zone.

Gold & Silver

- Gold & Silver are now close to their theoretical intrinsic value. The upside seems capped.
- Silver, in particular is now in unprecedented rolling returns category. The margin of safety seems uncomfortable.
- **For now avoid fresh lumpsum investments or overweight positions.**

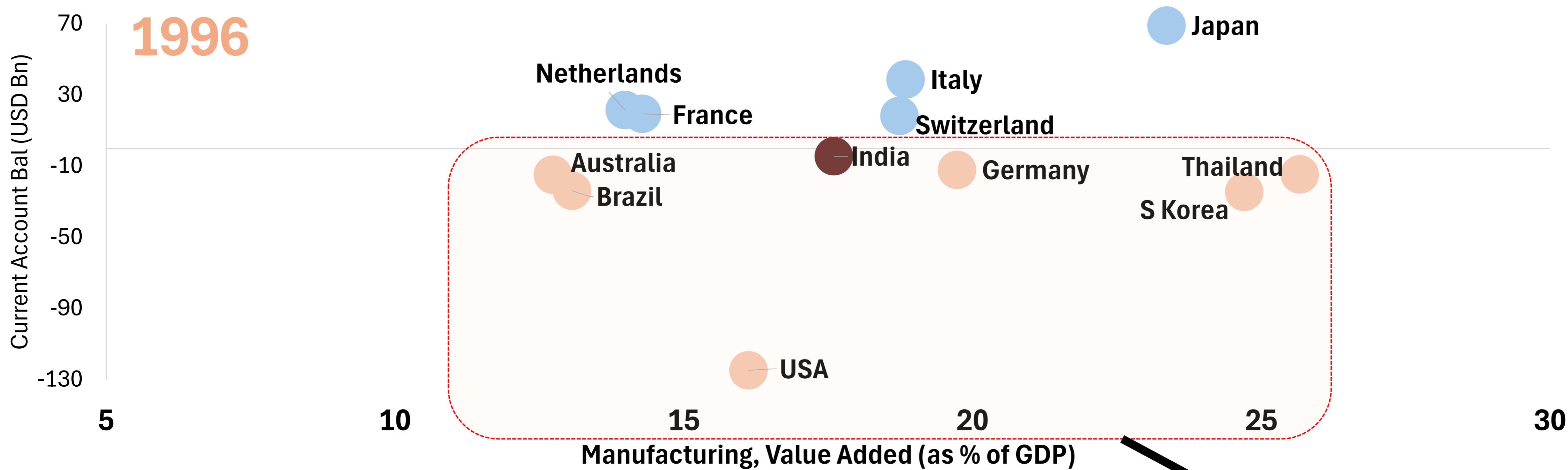
Source: NSE, DSP. Data as of December 2025, ROE- Return on Equity

Disclaimer: The sector(s)/stock(s)/issuer(s) mentioned in this document do not constitute any recommendation of the same and the Fund may or may not have any future position in these sector(s)/stock(s)/issuer(s). The investment approach / framework/ strategy mentioned herein is currently followed by the scheme(s) and the same may change in future depending on market conditions and other factors. The recipient(s) before acting on any information herein should make his/their own investigation and seek appropriate professional advice.

Global Imbalance Are Not Just Larger, They Are Structurally Different

It Is Not Just The Size Of The Deficits, But Who Is Running Them And At What Cost

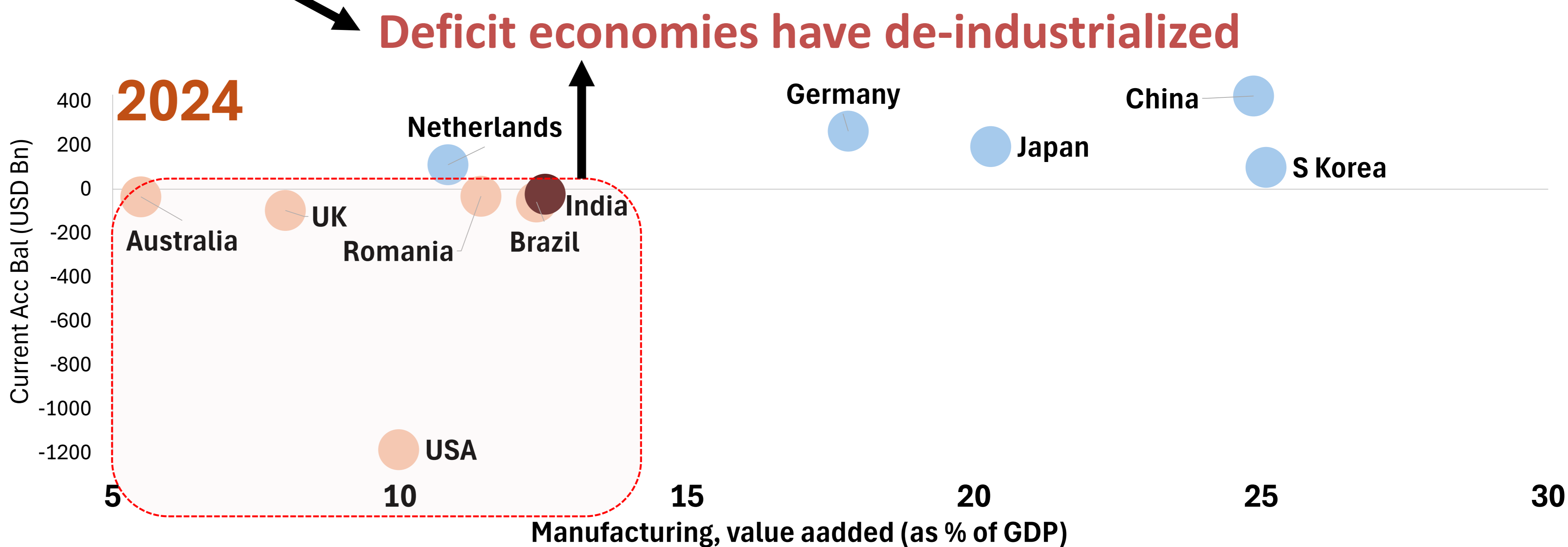
See these charts. Keep the visual in mind. Read the text on the next slide.



Consumption-led economies have steadily hollowed out their own productive capacity, shrinking their ability to meet domestic demand internally and becoming increasingly dependent on global supply chains.

Why does this matter?

Because current account deficits must eventually be financed and, over time, repaid.



Why Today's Imbalances Are Harder To Reverse

At a very basic level, money flows from current account surplus countries to current account deficit countries. That is the natural counterpart of trade. Economies that save more than they invest lend to those that consume more than they produce.

By economic logic, these surpluses tend to sit with industrialized, export-oriented economies. They build large manufacturing bases, export goods to the rest of the world, and run persistent current account surpluses.

The *two charts on the previous slide* show how this balance has shifted over the past three decades. **Looking at the top five surplus and deficit countries across two points in time, they point to a clear widening of global imbalances.**

What stands out is not just the size of the deficits, but who is running them and at what cost. **Consumption-led economies have steadily hollowed out their own productive capacity, becoming more reliant on global supply chains to meet domestic demand.**

In contrast, surplus countries have largely held their ground. Their manufacturing share of GDP has remained broadly intact, allowing them to continue exporting at scale and generating external surpluses. The adjustment has been one-sided: **deficit economies have de-industrialized, surplus economies have not.**

This matters because capital flows do more than finance spending, they shape economies. Persistent inflows tend to favour non-tradable sectors. The U.S. is a clear example. Its large and sustained current account deficit has weighed on export-oriented sectors like manufacturing, even as non-traded sectors such as housing and local services expanded. A weaker dollar has offered some relief, but the broader pattern remains.

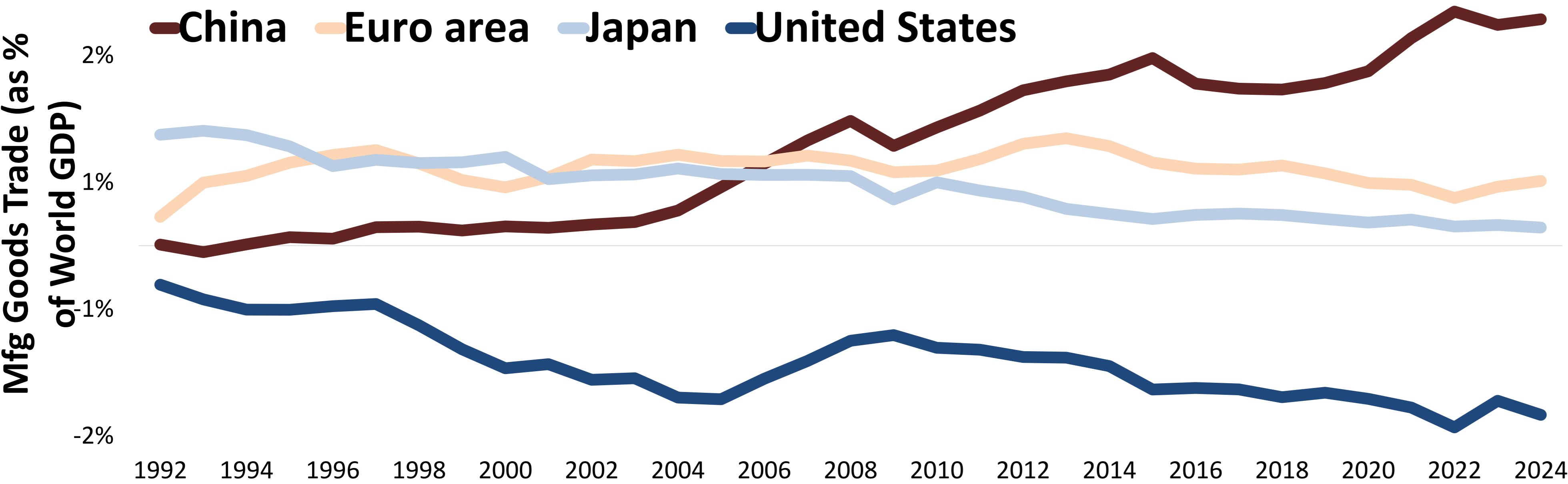
Current account deficits must eventually be financed and, over time, repaid. That requires strong and competitive export industries. When those industries shrink during prolonged deficit phases, reversing the process later becomes costly.

Taken together, the charts suggest that global imbalances have not only widened but become more structurally embedded. Deficit economies are losing manufacturing capacity even as their reliance on external capital deepens.

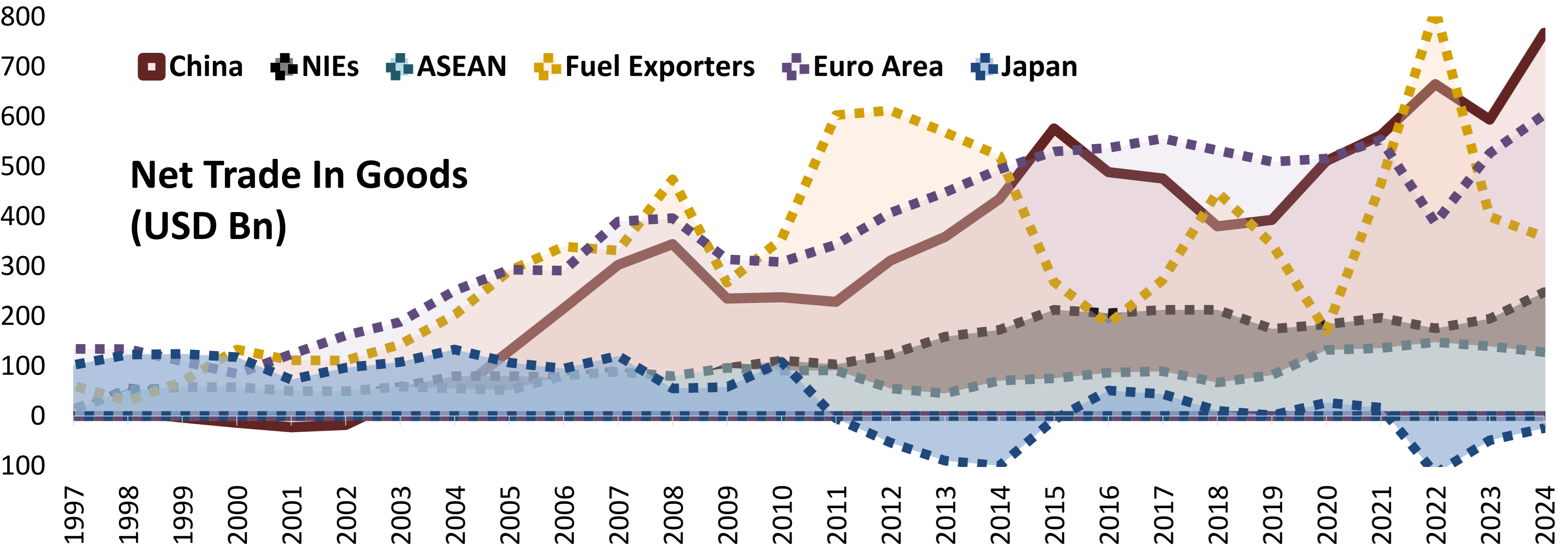
And this is where the tariff debate takes on far more significance than it appears on the surface, especially if it moves from being selective to broadly multilateral.

From Trade Dominance To Incomparable Growth Paths

China's Scale Advantage Is Hard To Ignore



Kissinger once said that Germany's tragedy was that it was "too big for Europe, but too small for the world." China faces the opposite problem. It is simply too big for the world.



“By 1969, just about everything, including basic necessities, was in short supply. All socialist economies are shortage economies, but China was probably the most extreme case in the late 1960s and 1970s.”
“China’s cultivated land is only 73 percent of that of the United States, but worked on by 70 times as many farmers, to feed 4 times the population.”
Excerpts from memoirs of life in China in the 1960s and 1970s.

Some 5 decades later, the picture could not be more different...
Today, current account surplus countries together account for about \$3 trillion of surplus, even as the world’s net trade surplus is only around \$163 billion. The top 10 surplus countries account for nearly 70%, or roughly \$2 trillion, of the total. Within this group, China stands apart.

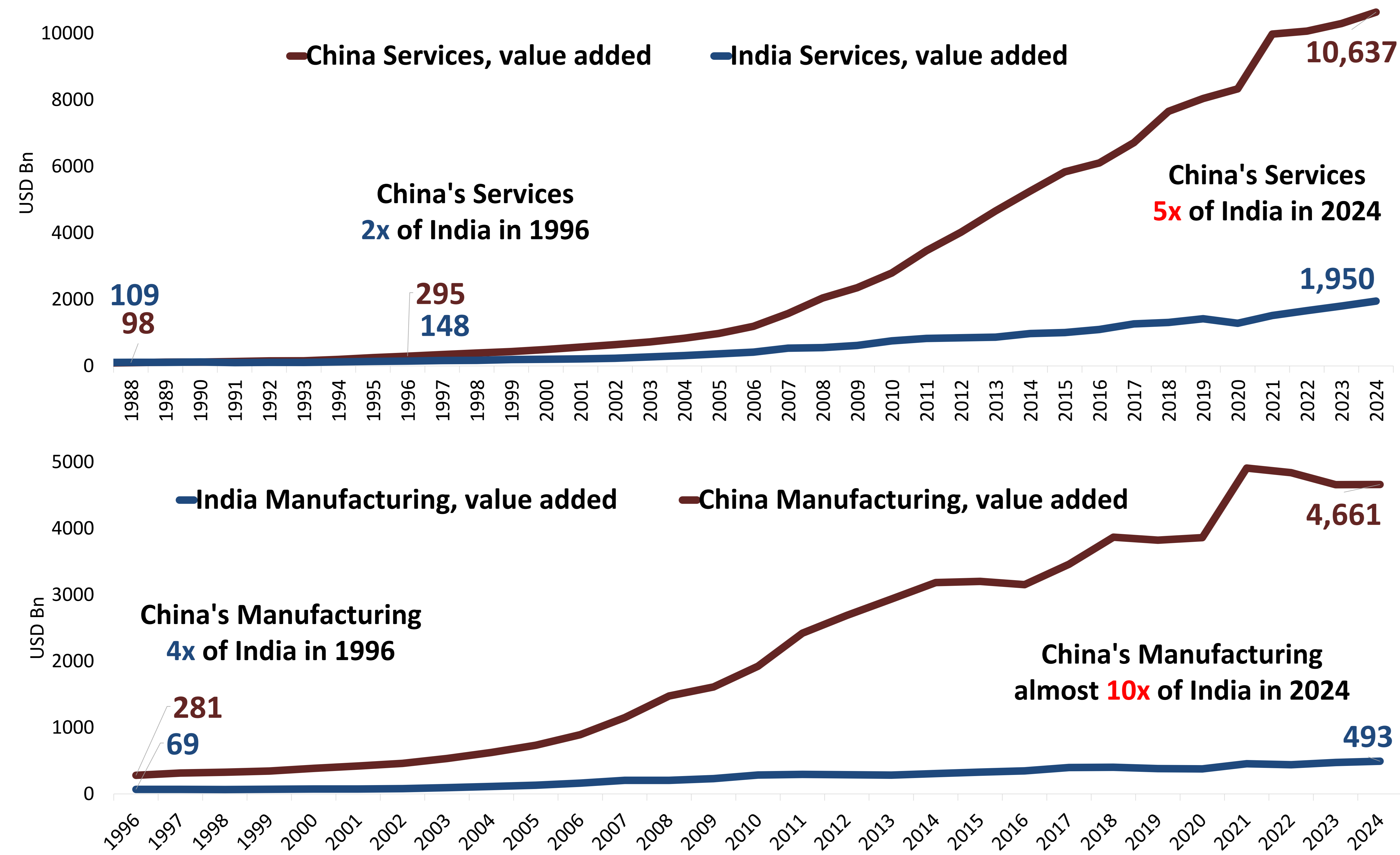
China alone accounts for about 27% of the global current account surplus, compared with roughly 20% for the entire euro area. And even within the euro area, only Germany and Ireland contribute meaningfully; most large member countries continue to run sizable deficits.

China’s rise has been both rapid and persistent. From a current account surplus share of around 4% of the total in 2004, China has scaled its share of global surpluses nearly 7x over the past 2 decades.

And this one country alone has managed to take share from a group of nations: we are talking – the fuel exporters of the world, the Germanies of Europe, and other East Asian powers. Some of these surplus positions were built over decades; others had been sustained for decades.

China’s manufactured goods surpluses are not just large, they are unprecedented in scale. And unlike earlier export champions, China’s surplus is big enough to materially constrain industrial capacity elsewhere. What was once a story of national transformation has now become a global constraint.

India Is Growing. China Is Compounding.



India's progress in services is meaningful and hard-earned. But when placed alongside China, the scale difference is stark. Both economies began their transition around a similar period, yet over time China's services sector has pulled decisively ahead. Even at India's strongest moments, the gap has continued to widen rather than narrow.

Manufacturing tells an even sharper story. While much of the world, India included, has struggled just to retain manufacturing share, China has continued to compound relentlessly. China is not merely competing in manufacturing; it is operating on a different plane altogether.

In that sense, the comparison is less between peers and more between maturity levels. India's trajectory reflects progress and potential. China's reflects scale, depth, and an execution advantage that remains difficult to match.

Why India's Macro Setup Looks Uncomfortable Right Now

A Double Constraint On The External Position

	External Debt/GDP	Reserves/ External Debt	Reserve cover for Imports (in months)	Net Int Investment Position/GDP	Current Account Balance/GDP
FY19	20.1%	76.0%	10.1	-16.2%	-2.1%
FY23	18.6%	92.7%	10.4	-11.0%	-2.0%
FY24	18.4%	96.7%	11.3	-9.9%	-0.7%
FY25	18.8%	90.8%	11.5	-8.4%	-0.6%
Jun-25	18.9%	93.4%	11.9	-7.9%	-0.5%

	% Trade Deficit Covered by			
	Services	Software Services	Remittances	Foreign Investment
FY19	60.6%	56.4%	45.9%	45.0%
FY23	74.3%	65.4%	47.1%	8.9%
FY24	82.1%	70.4%	55.2%	26.3%
FY25	89.9%	69.9%	53.1%	-9.3%
Sep-25	58.2%	50.2%	41.7%	-3.3%

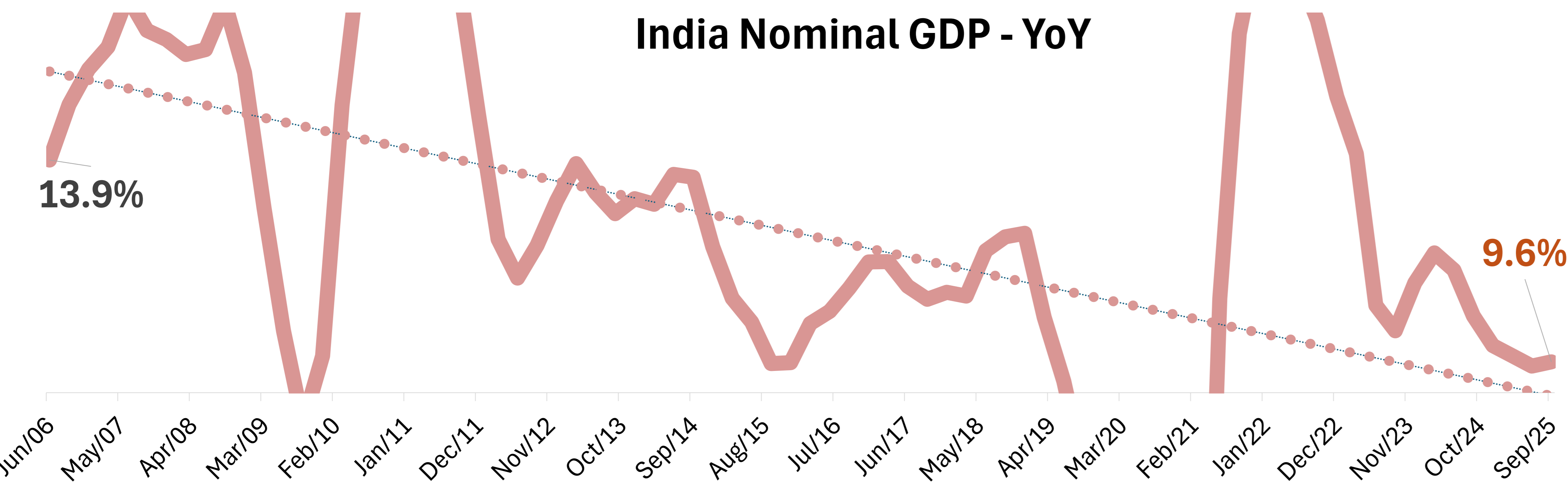
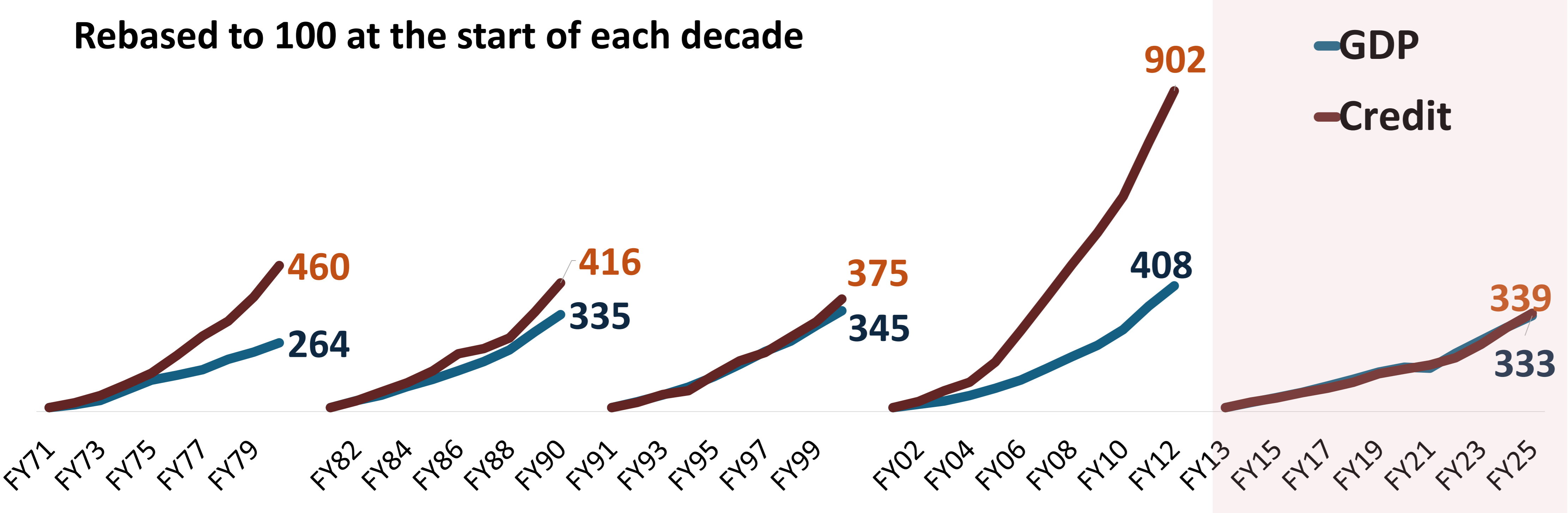
As capital inflows weakened in the post-Covid period, the adjustment increasingly shifted toward services exports and remittances. India did materially narrow its goods trade deficit. This made the flow picture look steadily stronger through FY25, even as the underlying external balance sheet remained less robust.

The Sep-25 data highlights the weakness in this setup. When services exports or remittances slow even a little, the lack of strong capital inflows becomes clear. What could have looked resilient in good times, might start to feel narrowly dependent when conditions change.

The broader takeaway is that India’s external sector has become wobbly. Flow support improved somewhat in the post-Covid phase but has begin to falter now, however the stock position has continued its clean up. Balance of payments constraint.

That is the tension this slide highlights – creating the risk of a double strain on the external position. A necessary clean-up on the capital account side may coincide with pressure on the current account, **leaving less room to absorb external shocks. In such a setup, Balance of Payments constraints risk becoming binding sooner than expected.**

Growth Is Not Just Slowing, It Is Settling At A Lower Level



The past decade and a half has turned out to be the weakest growth phase since the 1970s.

For much of India's modern economic history, credit expansion translated into higher output. Strong credit growth fed into investment, consumption, and ultimately faster nominal GDP growth. What once acted as a reliable growth engine has either changed in form or faded altogether.

The numbers make this clear. Average nominal GDP growth stood at around **15%** in the 1990s. It moderated but remained robust at **13.2%** during the 2000–13 period. Since then, it has slipped to roughly **10.6%**. This is not a marginal slowdown; it marks a clear downshift in the growth trajectory.

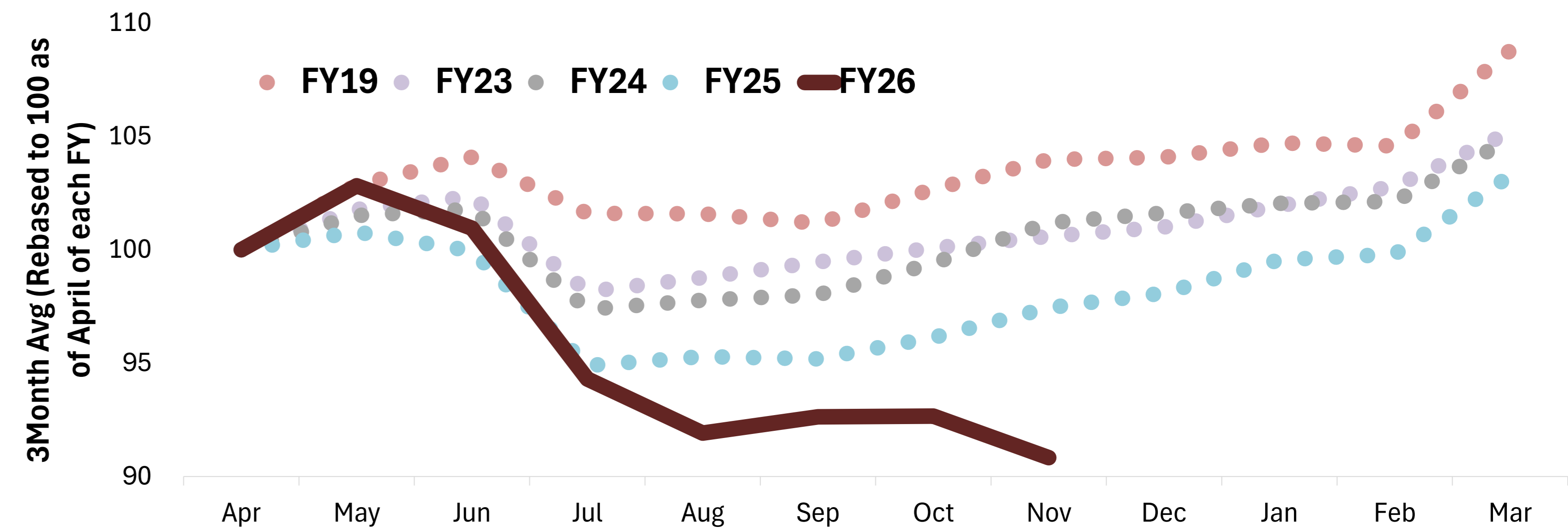
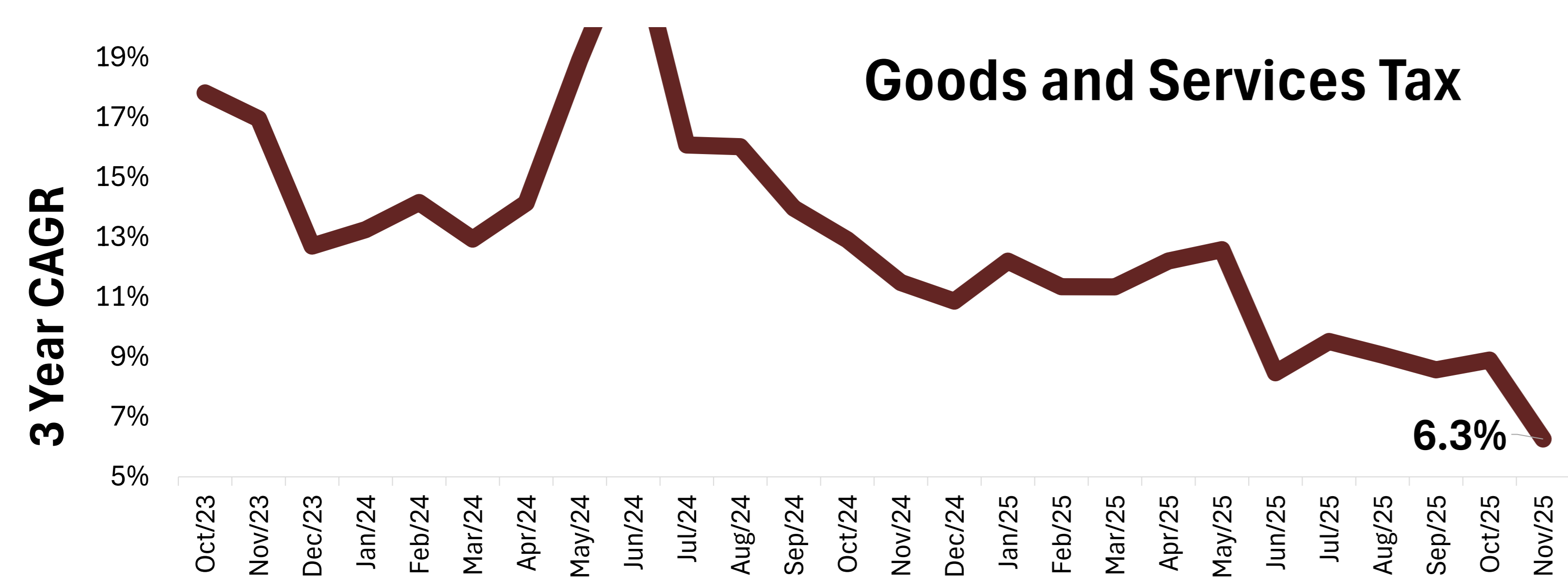
The growth model that worked for decades appears to have lost momentum, or perhaps the advantages it rested on have now been largely exhausted. Either way, the old drivers are no longer delivering the same outcomes. It will take a lot of efforts and tough policy choices to reverse course

Importantly, this slowdown does not look temporary. It cannot be explained away as a tariff shock, a delay in GST-related effects, or a simple normalization after the post-Covid rebound. The weakness appears more deeply embedded in the system.

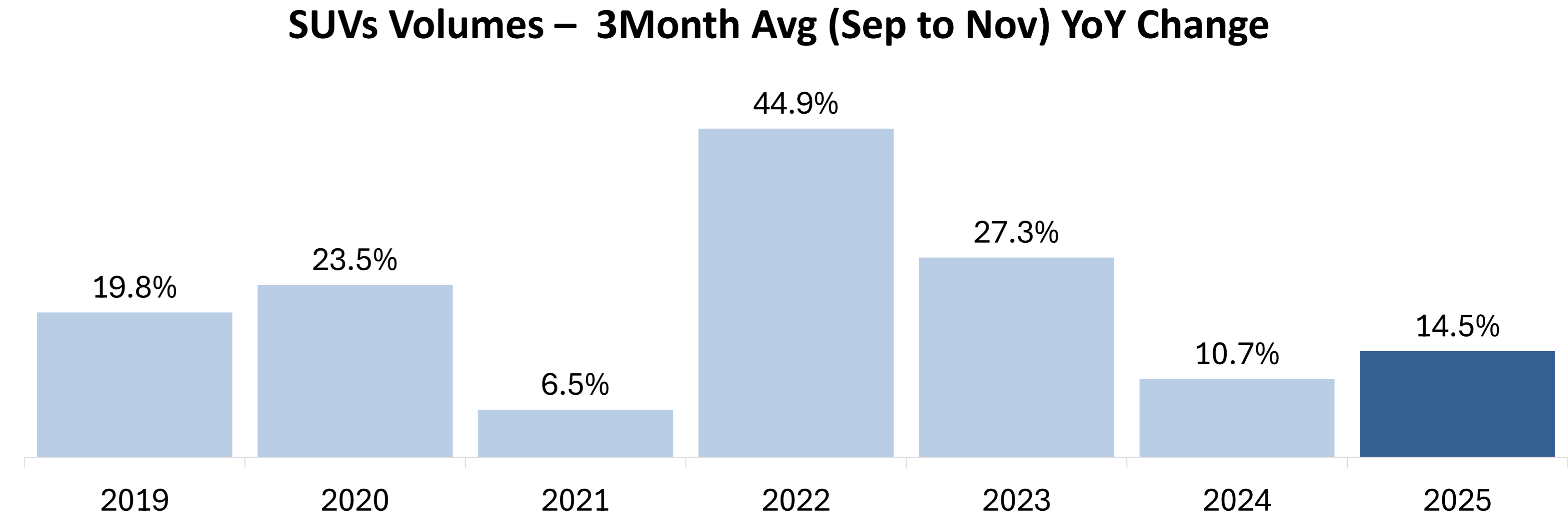
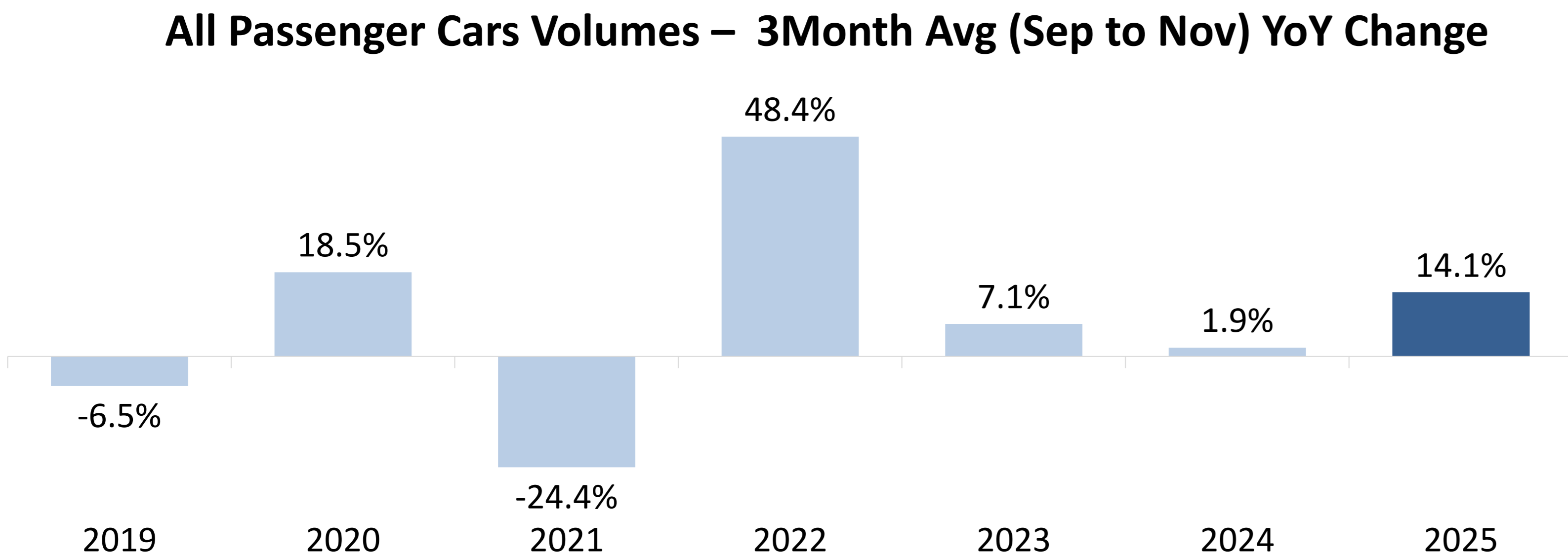
That is what makes this phase different, and more concerning. Growth is not just slowing; it is settling at a lower level. And that shift warrants closer attention.

GST Is Normalizing, But The Demand Pickup Is Patchy

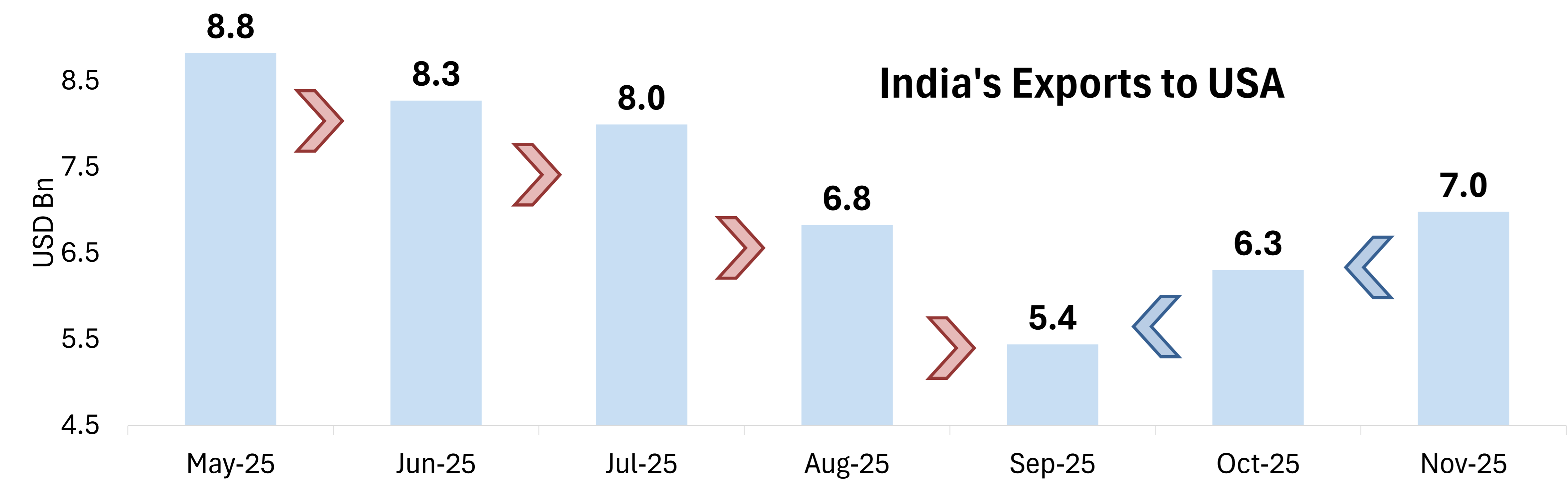
GST collections after gaining ground, have settled at levels lower than their normalized. This could reverse slightly in the coming months as GST reforms enter implementation



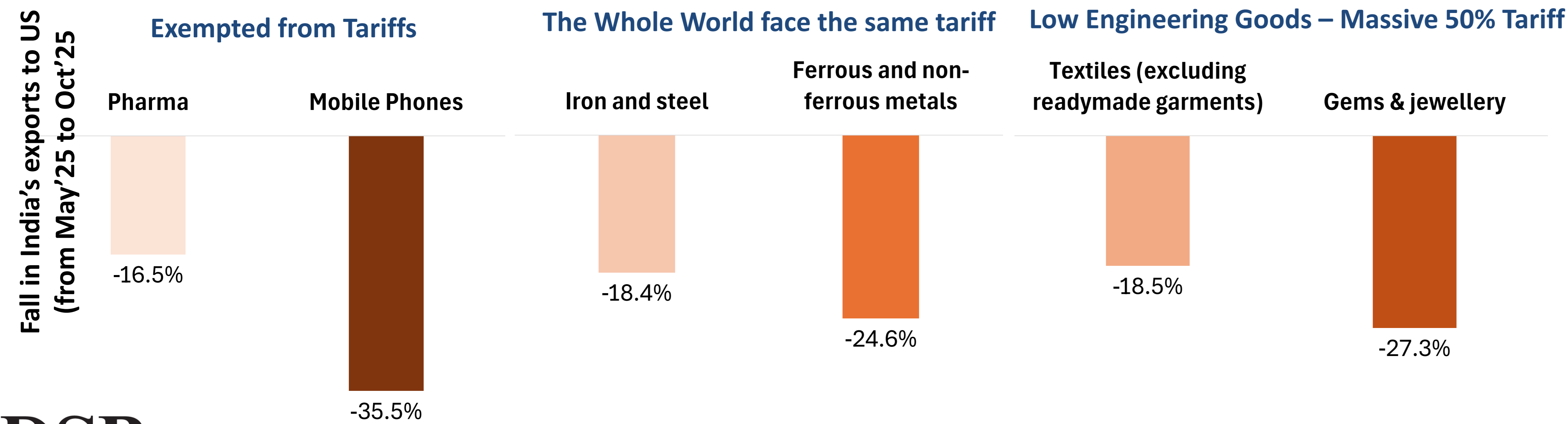
Though, it is too early to gauge the impact, but the space everyone's excited about (read, autos) has begun to show some signs of GST cut, if this is a one off or a trend



What The Data Is (Not Yet) Telling Us



Sectors that were expected to be hit harder by tariffs have not underperformed as sharply as those that were supposedly insulated.



September marked an important break. It was the first month in which India faced the full 50% tariff on exports to the U.S. In the months leading up to it, exports to the U.S. had already begun to weaken, likely reflecting apprehension ahead of the tariff hike rather than the tariff itself.

What is harder to interpret is what followed.

Despite the tariffs remaining in place, exports to the U.S. have shown a pickup since September. The data window is short, so it would be premature to call this a trend. **But it does complicate the straightforward narrative that tariffs alone are driving the slowdown.**

A closer look at categories only adds to the confusion. **Sectors that were expected to be hit harder by tariffs have not underperformed as sharply as those that were supposedly insulated.** In other words, the damage has not been neatly contained to where one would expect it to show up.

Overall exports have taken a hit, but exports to the rest of the world have not meaningfully compensated for the weakness to the U.S. The adjustment, so far, has been incomplete.

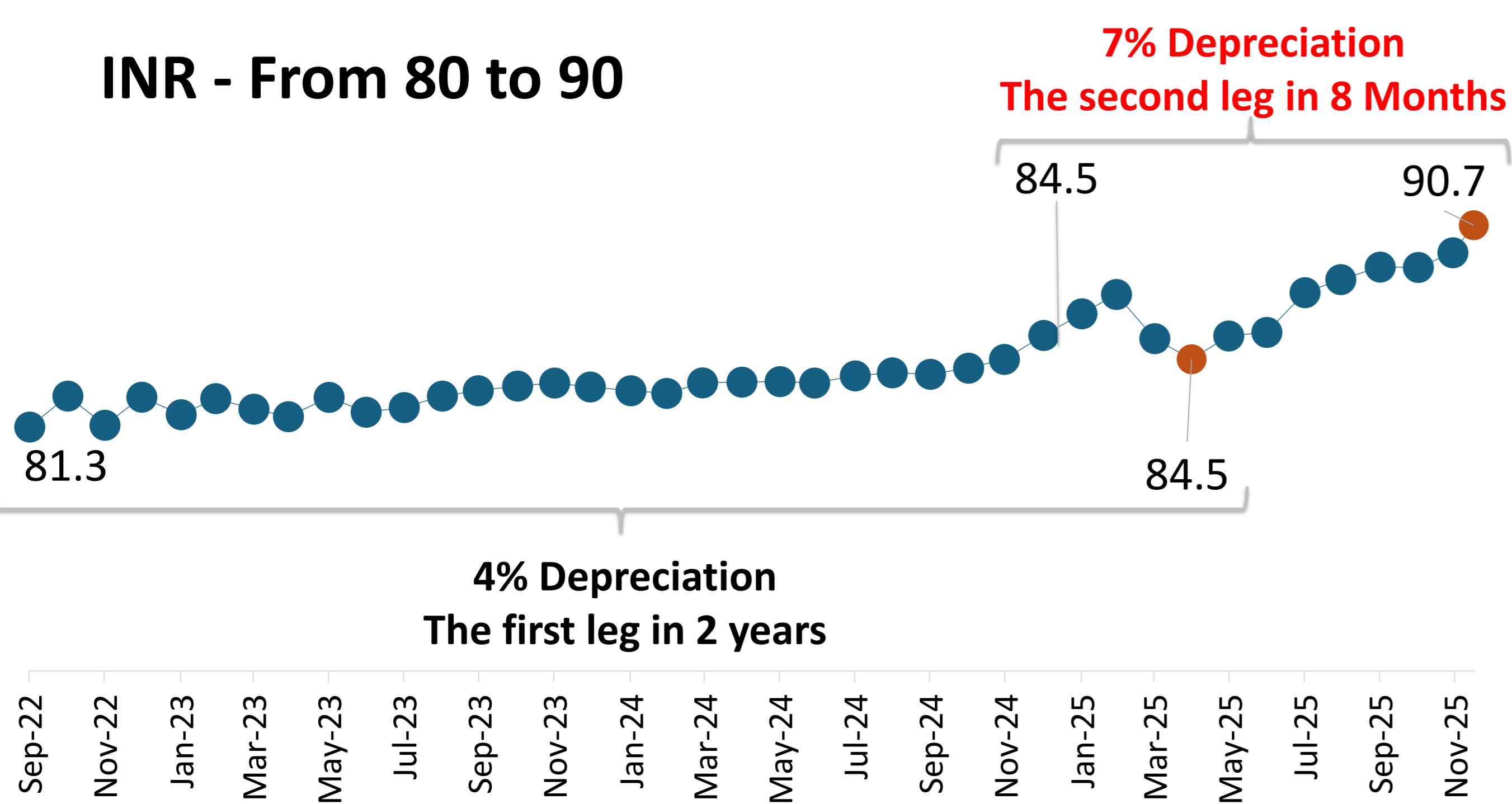
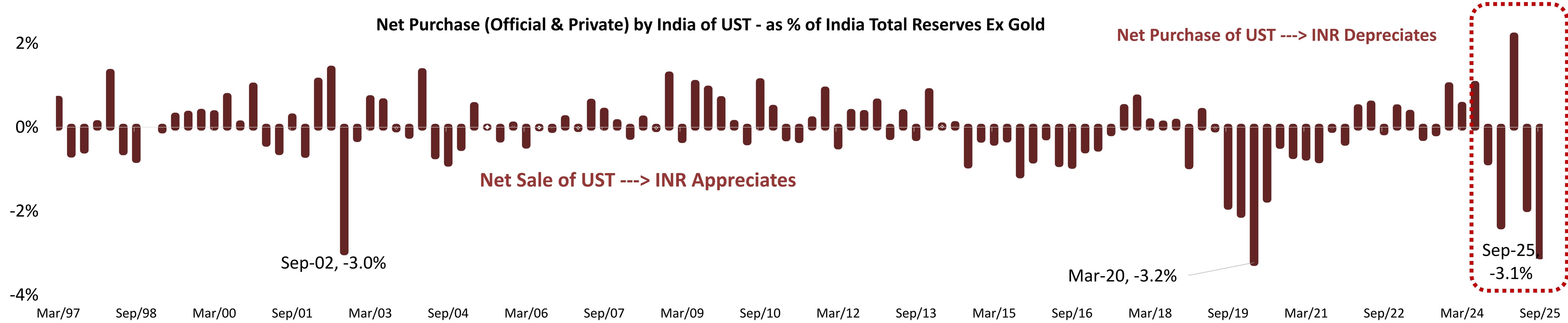
The larger issue sits beyond near-term tariff math. India needs to expand and deepen its export profile to become indispensable, not just to the U.S., but to the rest of the world as well. Over time, India's reliance on external partners for critical inputs could begin to work against it, especially in a world where tariff advantages are no longer assured and China is no longer the sole target of trade action.

That matters not only for resilience, but also for bargaining power. For India, it is still too early to conclude how damaging the current tariff regime will be, or how much of the impact is already in the data.

What Moving The Rupee & What's Holding Up The Global Yields

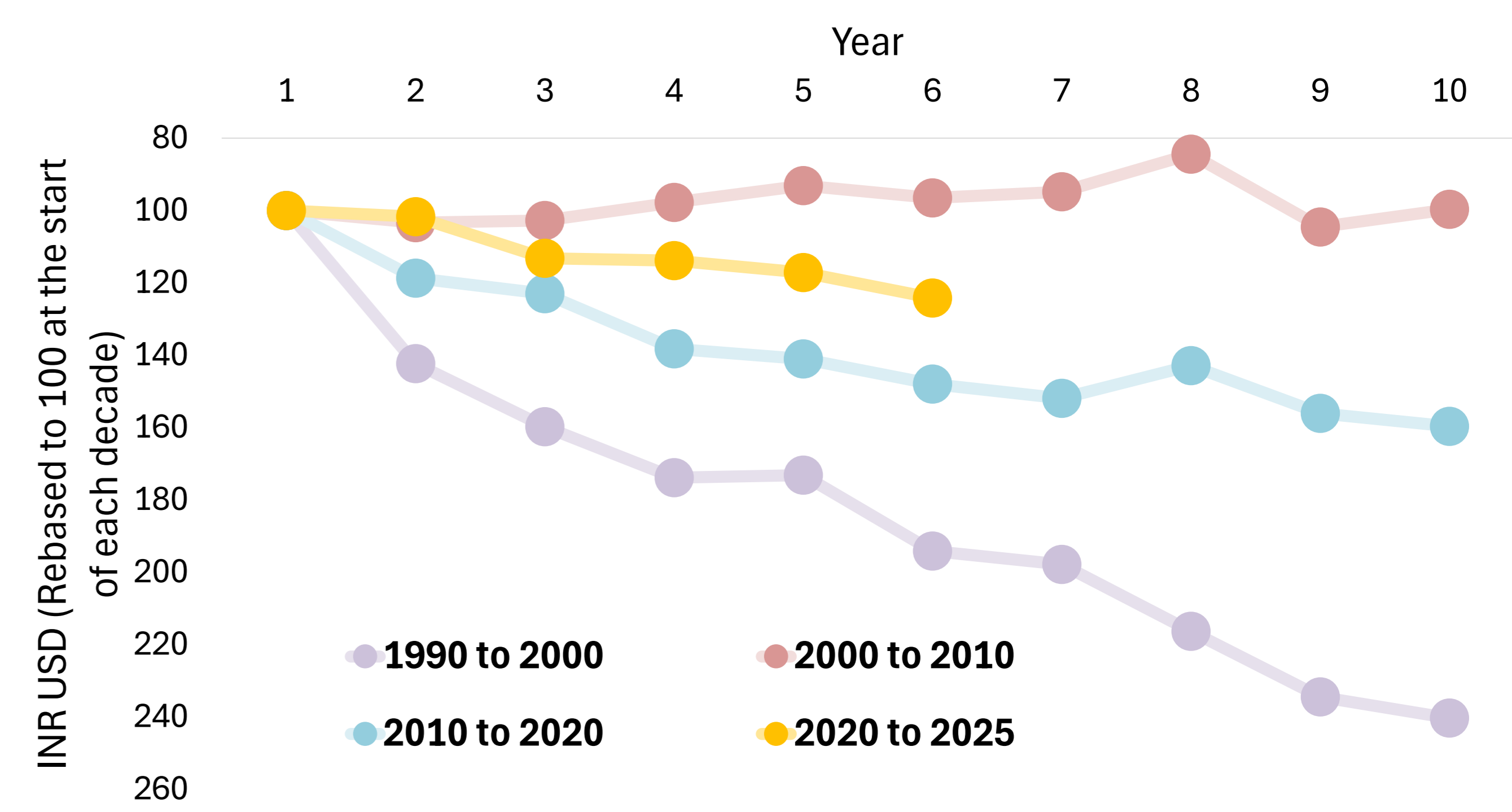
The Rupee Is Adjusting, Not Breaking

Synthetically trying to keep INR from depreciating

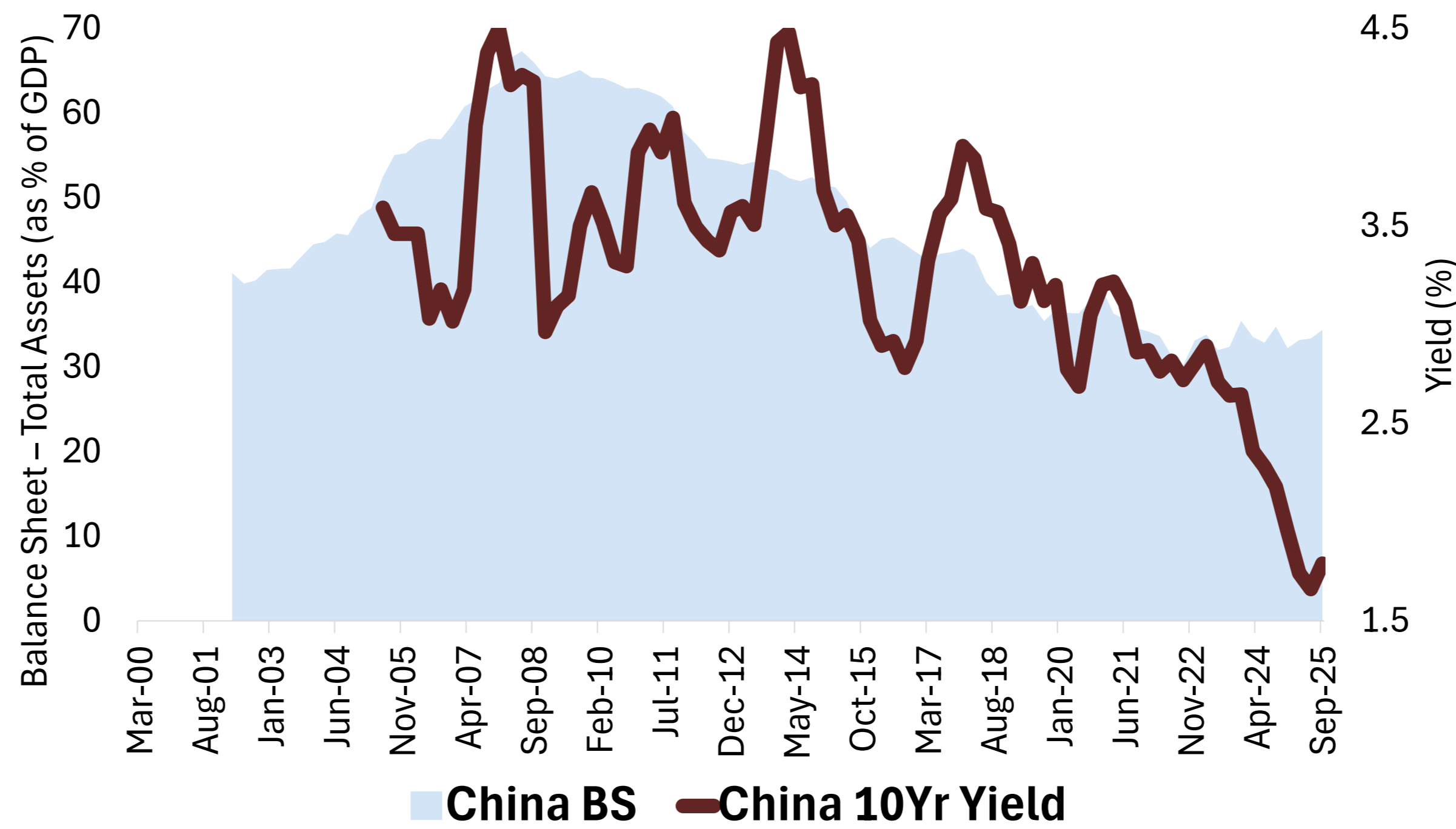
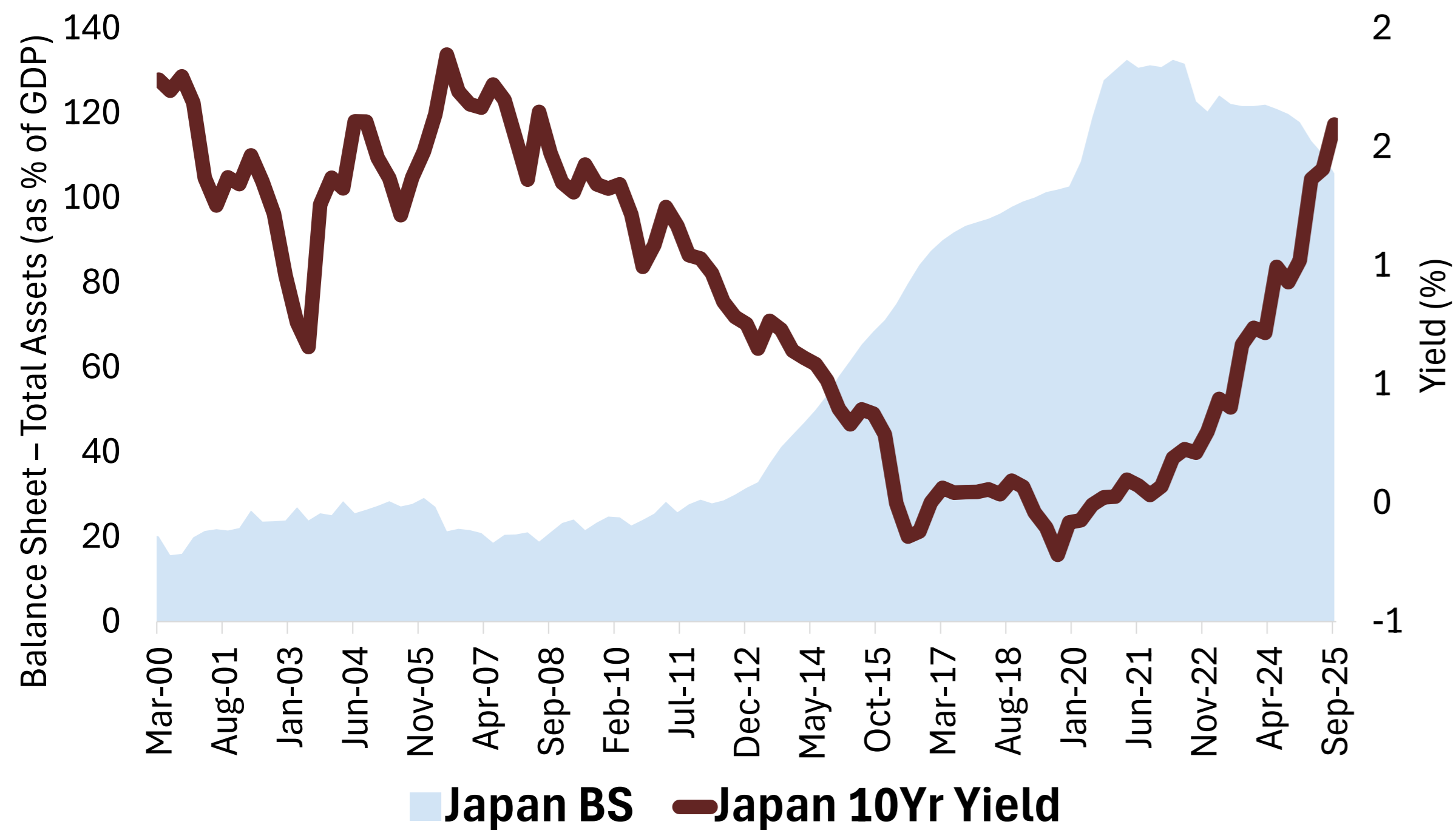
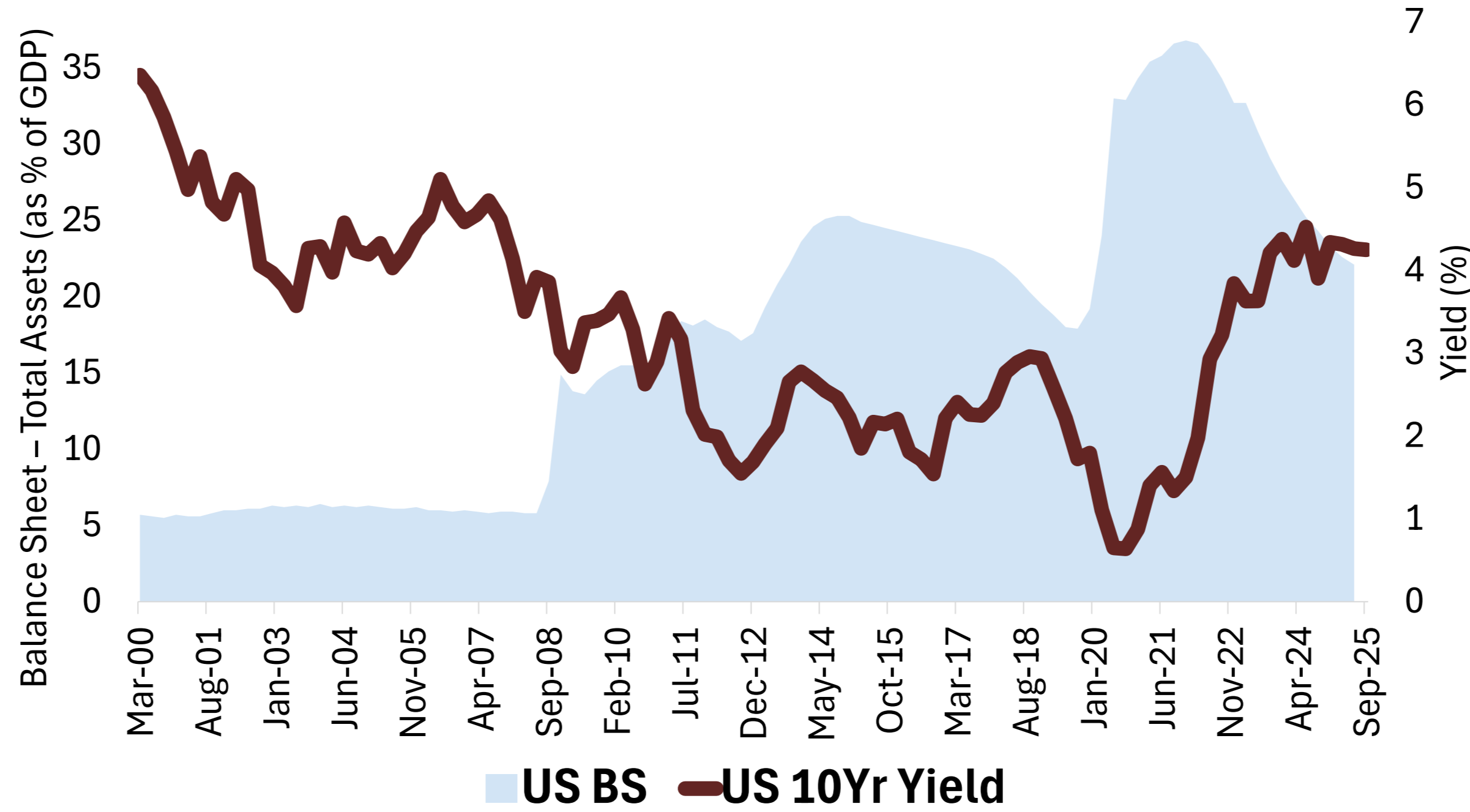
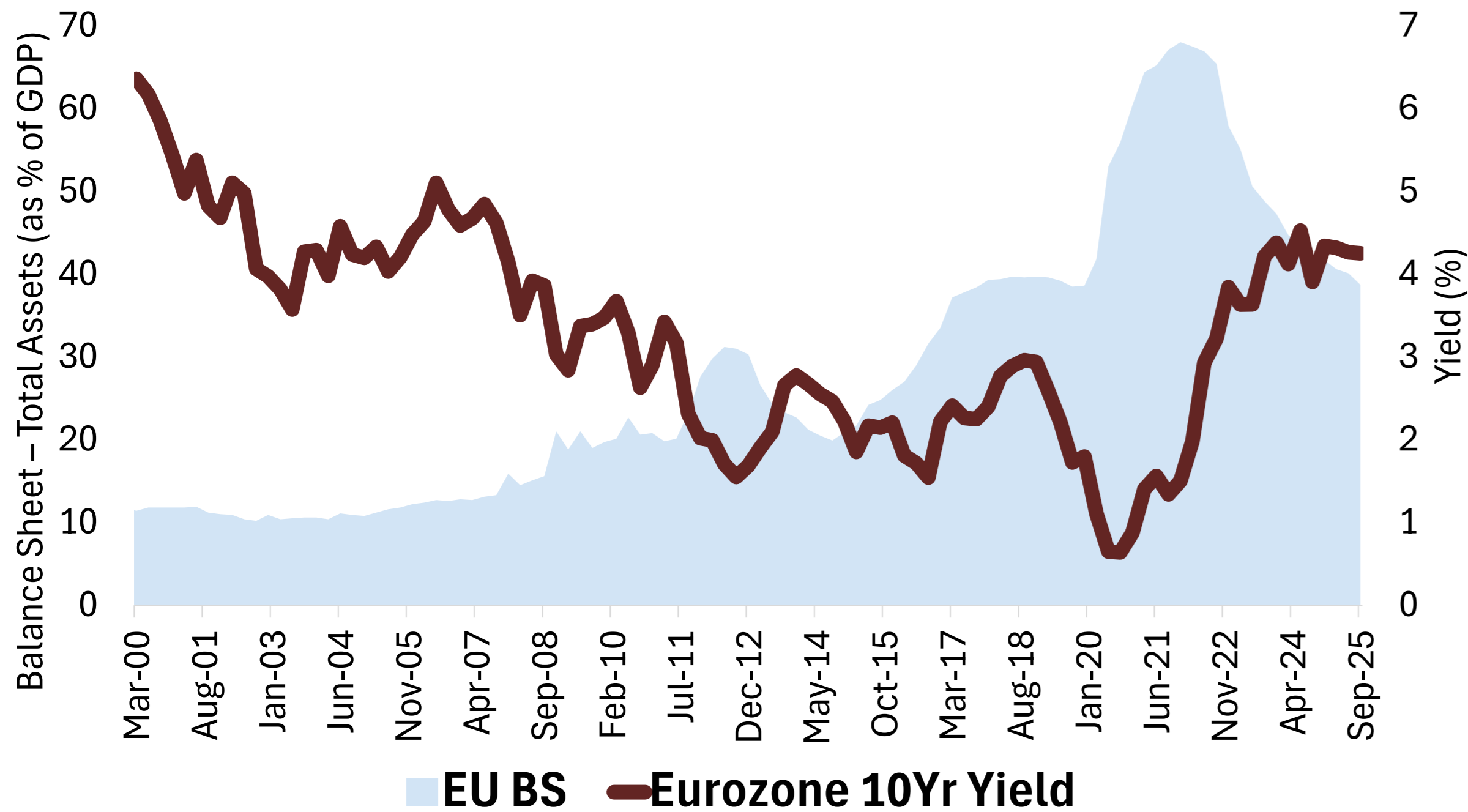


The fall is not as aggressive as it seems

In the larger scheme of things, it was long overdue — the INR is simply settling closer to its fair value now that the RBI has eased its grip.



Yields Are Not Just About Policy Rates



In the last edition of Navigator, we highlighted a key disconnect: despite sharp and rapid rate cuts across most major economies, long-term yields have not fallen as one would normally expect.

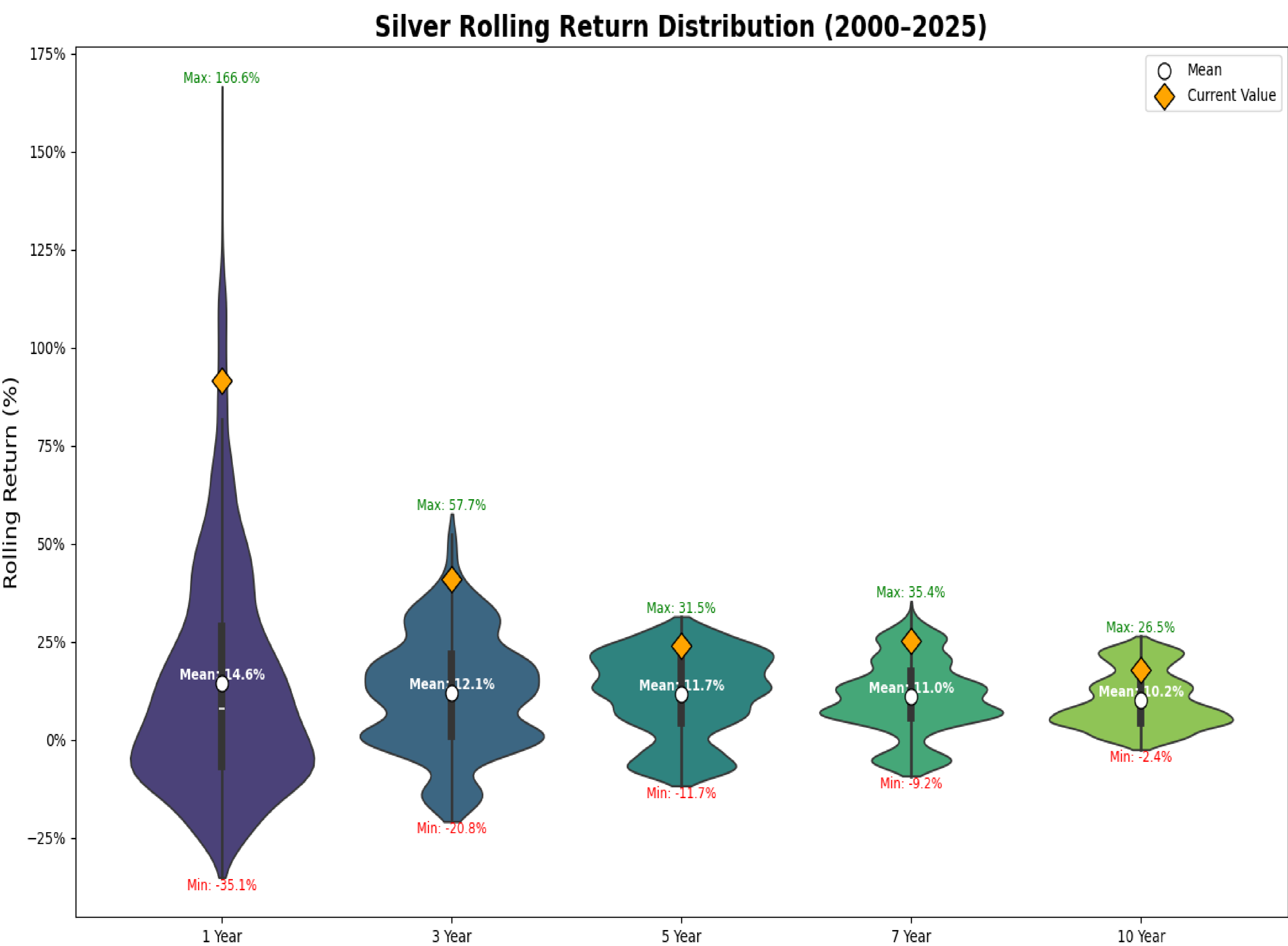
Looking at central bank balance sheets alongside yields helps explain why. While policy rates were cut over a short span, balance sheets were simultaneously being squeezed to withdraw the excess liquidity created during Covid. That withdrawal appears to have limited the downside in yields, even as rates moved lower.

This pattern is visible across the U.S., the Eurozone, and Japan. In all three, yields rose during the post-Covid liquidity surge and stayed elevated, or rose again, as balance sheets began to shrink. Yields, in this phase, seem to be driven less by policy rates and more by liquidity conditions and bond market supply–demand.

China stands apart. Its yields have declined meaningfully post-Covid, despite modest rate cuts and a largely unchanged balance sheet. Weaker growth, low inflation pressures, and limited fiscal strain have allowed the more traditional relationship between policy and yields to hold.

Silver Could Be Beyond Its Silver Lining

Silver Returns in Extreme Historical Territory

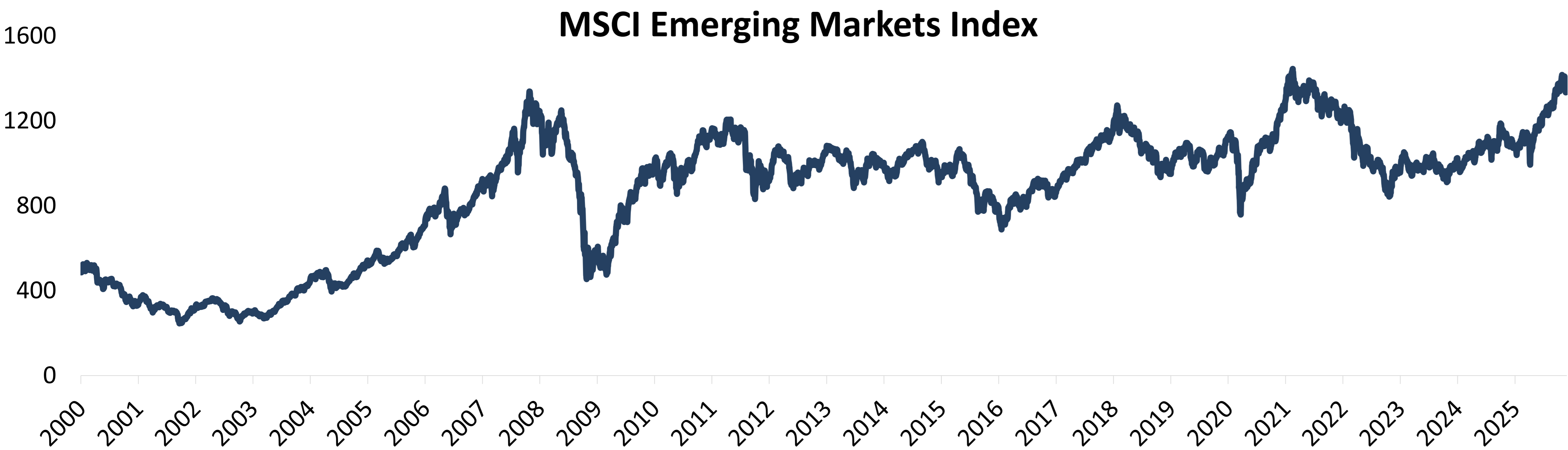


Silver rolling return	90th percentile	95th percentile	Current Values	% of times values were higher than this
1 Year	52.8%	70.3%	91.5%	3%
3 Year	32.2%	36.3%	40.9%	2%
5 Year	24.4%	26.6%	24.0%	12%
7 Year	25.1%	26.6%	25.3%	10%
10 Year	21.8%	23.1%	17.9%	19%

Current rolling returns sit in the extreme right tail of history (>90–95th percentile), a regime that has been rare and typically unsustainable over long horizons.

What Emerging Market Needs Next And Why It Points To China

The Missing Piece In MSCI EM’s Rally: China



Countries with > 5% Weight	Current Weights	Price % change from Oct 2007 – Nov 2025	PE	Average PE*	Valuation V/s Average
China	28.8%	-20%	17.8	16.7	6.6%
Taiwan	20.0%	184%	22.2	17.8	25.1%
India	15.8%	398%	26.0	22.2	17.2%
South Korea	12.2%	90%	16.9	15.3	10.5%

As MSCI Emerging Markets approaches its earlier peak from 2007 and 2021, an interesting structural insight emerges: the path to a durable new high may depend less on broad EM strength and more on one key market.

Among the major EM contributors, China is the only country still trading below its 2007–08 peak price levels, while peers such as India, Taiwan and South Korea have already compounded significantly beyond those levels. Yet, unlike these markets now trading at notable valuation premiums, China sits relatively close to its long-term average multiples.

This creates an unusual setup: MSCI EM’s next leg higher is unlikely to be broad-based at first. Instead, China’s catch-up from both depressed price levels and reasonable valuations may be the decisive catalyst that shifts the index into a sustained new high.

This is also one of the reasons why China continues to be a favorable country for foreign investment.

The Missing Piece In MSCI EM's Rally: China

Annual Average PE	China	India	Taiwan	South Korea
2015	16.9	22.1	14.9	17.9
2016	14.5	22.7	15.9	15.8
2017	16.2	25.9	16.6	14.9
2018	14.4	31.5	15.6	11.4
2019	13.4	29.1	16.6	11.1
2020	16.0	25.9	20.1	20.1
2021	17.7	33.1	19.7	19.6
2022	14.8	25.6	12.0	11.6
2023	14.0	24.3	16.1	15.1
2024	14.1	26.4	23.0	15.7
2025	16.7	25.1	20.2	14.2
Average PE	16.7	22.2	17.8	15.3

Annual Earnings Growth	China	India	Taiwan	South Korea
2015	5.8%	-5.9%	10.4%	22.1%
2016	-7.2%	3.1%	-11.3%	-5.0%
2017	7.6%	9.1%	24.0%	42.4%
2018	11.2%	-9.8%	11.5%	11.6%
2019	6.3%	24.4%	-19.7%	-33.1%
2020	-7.6%	-1.4%	7.1%	-31.8%
2021	9.6%	30.7%	86.9%	137.6%
2022	-5.5%	34.6%	11.6%	-13.0%
2023	-3.8%	11.9%	-37.2%	-32.8%
2024	-7.9%	24.2%	19.1%	34.3%
2025	6.4%	12.3%	18.0%	18.6%
Average Earnings Growth	3.76%	9.16%	4.95%	3.20%

China’s equity valuations have adjusted meaningfully over the past decade, with P/E multipliers now at or below long-term averages and broadly in line with other emerging markets.

Unlike India, where valuations embed sustained high growth, China’s lower multiples mainly reflect a prolonged period of earnings volatility rather than overvaluation.

Importantly, even modest stabilisation in China’s earnings growth could have an outsized impact on market performance, given the lack of valuation excesses.

As global growth normalises and domestic policy support gains traction, China appears positioned for a balanced recovery where incremental earnings improvements can translate directly into market upside without relying on multiple expansion.

Valuations And Earnings

Not So Much The Label Of The Country...

India has just twice been the best performing equity market among the top economies in the last 10 years despite strong returns during the period.

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025*
Rank 1	India 24%	Japan 10%	Canada 29%	China 62%	US -10%	US 31%	S Korea 45%	US 26%	Canada -5%	India 28%	China 34%	S Korea 77%
Rank 2	US 13%	US 1%	S Korea 17%	S Korea 42%	India -10%	Canada 27%	China 29%	India 26%	Europe -8%	US 21%	US 23%	China 33%
Rank 3	China 8%	Europe -3%	US 13%	India 38%	Japan -17%	Europe 24%	US 21%	Canada 26%	India -11%	Japan 19%	Canada 13%	Canada 33%
Rank 4	Canada 2%	India -6%	China 8%	Europe 30%	Canada -18%	China 23%	India 16%	Europe 16%	Japan -11%	Europe 10%	India 9%	Europe 30%
Rank 5	Japan -4%	S Korea -7%	Japan 6%	US 26%	Europe -19%	Japan 20%	Japan 14%	Japan 2%	China -13%	Canada 5%	Japan 4%	Japan 24%
Rank 6	Europe -6%	China -8%	India 3%	Japan 25%	S Korea -24%	S Korea 13%	Europe 5%	S Korea -8%	US -15%	S Korea -1%	Europe 2%	US 17%
Rank 7	S Korea -11%	Canada -24%	Europe 2%	Canada 13%	China -28%	India 8%	Canada 5%	China -22%	S Korea -21%	China -29%	S Korea -15%	India 3%
		India	USA	China	Europe	Japan	Canada	S Korea				
CAGR (Dec'14 – Nov'25)		8.3%	13.0%	4.4%	7.1%	7.8%	7.9%	6.9%				

... But The Label Of The Metric Which Warrants Caution

US, India – Among The Least Attractive On Earnings Yield

Index	PE*	20 Year Average	ROE	Earnings Yield
Philippines	10.2	17.4	12.3	9.8%
Brazil	11.0	15.3	11.6	9.1%
UK	14.7	14.5	10.6	6.8%
Mexico	15.2	18.3	15.0	6.6%
Vietnam	16.2	16.1	13.5	6.2%
South Africa	16.5	16.1	13.6	6.1%
Asia Ex-Japan	17.0	14.2	14.6	5.9%
Eurozone	17.2	14.2	13.6	5.8%
Korea	17.5	15.2	7.6	5.7%
France	17.6	14.7	10.7	5.7%
China	18.0	17.8	10.2	5.6%
Canada	20.2	18.3	12.2	4.9%
Japan	21.8	23.7	10.8	4.6%
Indonesia	21.8	18.5	11.3	4.6%
Australia	21.8	17.6	10.7	4.6%
Taiwan	22.1	17.6	13.4	4.5%
India	24.0	20.0	16.5	4.2%
USA	26.9	19.1	18.8	3.7%
Argentina	28.7	19.7	6.1	3.5%

US, India – While The Mainstream Markets Have Delivered So Far, It Is No Norm India’s premium valuations are often justified by strong ROEs, but with ROE hovering near 15% and earnings yields still low, any slowdown in profit growth could trigger a pullback in valuations toward more reasonable levels.

Several global markets deliver similar or better returns on equity at far cheaper valuations, which makes their risk-reward trade-off more appealing right now.

India – What Do The Numbers Look Like?

Index	P/E	P/B	Div Yield %	ROE	TTM EPS Growth
Nifty Top 10 EW Index	21.67	3.72	1.46	17%	12.9%
Nifty 50 Index	22.48	3.51	1.3	16%	14.7%
Nifty 100 Index	21.98	3.51	1.34	16%	13.2%
Nifty Midcap 150 Index	32.59	4.39	0.81	13%	25.3%
Nifty Smallcap 250 Index	28.14	3.43	0.74	12%	-9.4%
Nifty 500 Index	23.98	3.64	1.18	15%	12.4%
Nifty Microcap 250 Index	26.97	2.74	0.79	10%	

As of 18th December 2025, Source: Nifty Indices

Let's Sum It Up.

Asset Class View

- **Equity:**

Be conservative in allocating to equity

- Fresh deployment through use of hybrids like Dynamic Asset Allocation or Multi Asset Allocation strategies as they raise equity weights on lower valuations.
- Focus on large-caps, for staggered purchases and equity allocation
- Currently, IT is relative play compared to broader equity; however, any further correction can make it an absolute play.

- **Debt:**

- Focus on Income plus arbitrage for fresh allocations

- **Commodities:**

- Gold & Silver are now close to their theoretical intrinsic value. The upside seems capped.
- Silver, in particular is now in unprecedented rolling returns category. The margin of safety seems uncomfortable.
- For now avoid fresh lumpsum investments or overweight positions.

How To Position Your Portfolio?

Asset Allocation: Our Recommendations

If you are

Type of investor	Equity Allocation
Conservative	< 30%
Moderate/ Passive-Moderate	< 60%
Aggressive	< 70%

Then you may consider having this % of equity in your portfolio

Conservative Strategy

Portfolio: Conservative

Asset Class	Category	Fund	Allocation
Equity 25%	Index Fund	DSP Nifty Top 10 Equal Weight Index Fund	10%
	Large Cap Fund	DSP Large Cap Fund (Erstwhile known as DSP Top 100 Equity Fund)	10%
	Sectoral / Thematic	DSP Nifty IT Index Fund	5%
Alternate & Hybrid 20%	Multi Asset Allocation	DSP Multi Asset Allocation Fund	20%
Fund of Fund 20%	Income Plus Arbitrage FoF	DSP Income Plus Arbitrage Omni FoF*	20%
Debt 35%	Money Market Fund	DSP Savings Fund	10%
	Dynamic Bond	DSP Strategic Bond Fund	25%



*The scheme name has been changed from ‘DSP Income Plus Arbitrage Fund of Fund’ to ‘DSP Income Plus Arbitrage Omni FoF’ w.e.f. August 31, 2025
Disclaimer: For complete details on investment objective, investment strategy, asset allocation, scheme specific risk factors and more details, please read the Scheme Information Document, and Key Information Memorandum of the scheme available on ISC of AMC and also available on www.dspim.com
The above table is indicative in nature. Investors should consult their financial advisors if in doubt about whether the scheme is suitable for them.

Moderate Strategy

Portfolio: Moderate

Asset Class	Category	Fund	Allocation
Equity 50%	Large Cap Fund	DSP Large Cap Fund (Erstwhile known as DSP Top 100 Equity Fund)	25%
	Value Fund	DSP Value Fund	10%
	Sectoral / Thematic	DSP Healthcare Fund	5%
	Sectoral / Thematic	DSP Nifty IT index Fund	5%
	Sectoral / Thematic	DSP Banking & Financial Services Fund	5%
Alternate & Hybrid 20%	Multi Asset Allocation	DSP Multi Asset Allocation Fund	20%
Fund of Fund 15%	Income Plus Arbitrage FoF	DSP Income Plus Arbitrage Omni FoF*	15%
Debt 15%	Money Market Fund	DSP Savings Fund	5%
	Dynamic Bond	DSP Strategic Bond Fund	10%

Aggressive Strategy

Portfolio: Aggressive

Asset Class	Category	Fund	Allocation
Equity 60%	Large Cap Fund	DSP Large Cap Fund (Erstwhile known as DSP Top 100 Equity Fund)	35%
	Index Fund	DSP Nifty Top 10 Equal Weight Index Fund	10%
	Sectoral / Thematic	DSP Healthcare Fund	5%
	Sectoral / Thematic	DSP Nifty IT Index Fund	5%
	Sectoral / Thematic	DSP Banking & Financial Services Fund	5%
Alternate & Hybrid 20%	Dynamic Asset Allocation or Balanced Advantage	DSP Dynamic Asset Allocation Fund	20%
Fund of Fund 10%	Income Plus Arbitrage FoF	DSP Income Plus Arbitrage Omni FoF*	10%
Debt 10%	Dynamic Bond	DSP Strategic Bond Fund	10%

Passive - Moderate Strategy

Portfolio: Passive- Moderate

Asset Class	Category	Fund	Allocation
Equity 60%	Index Fund	DSP Nifty Top 10 Equal Weight Index Fund	35%
	Sectoral / Thematic	DSP Quant Fund*	15%
	Index Fund	DSP Nifty IT Index Fund	10%
Alternate & Hybrid 5%	FoFs- Domestic	DSP Gold ETF Fund of Fund	5%
Debt 35%	Index Fund	DSP CRISIL-IBX 50:50 Gilt Plus SDL - April 2033 Index Fund (Erstwhile known as DSP CRISIL SDL Plus G-Sec Apr 2033 50:50 Index Fund)	20%
	Corporate Bond	DSP Corporate Bond Fund*	15%



* DSP Quant Fund is managed by following a model-based approach to portfolio construction and DSP Corporate Bond Fund is currently managed as a roll down strategy. These investment strategies are currently followed by the scheme and the same may change in future depending on market conditions and other factors. For complete details on investment objective, investment strategy, asset allocation, scheme specific risk factors and more details, please read the Scheme Information Document, and Key Information Memorandum of the scheme available on ISC of AMC and also available on www.dspim.com . The above table is indicative in nature. Investors should consult their financial advisors if in doubt about whether the scheme is suitable for them.

...And Some Fun Recommendations

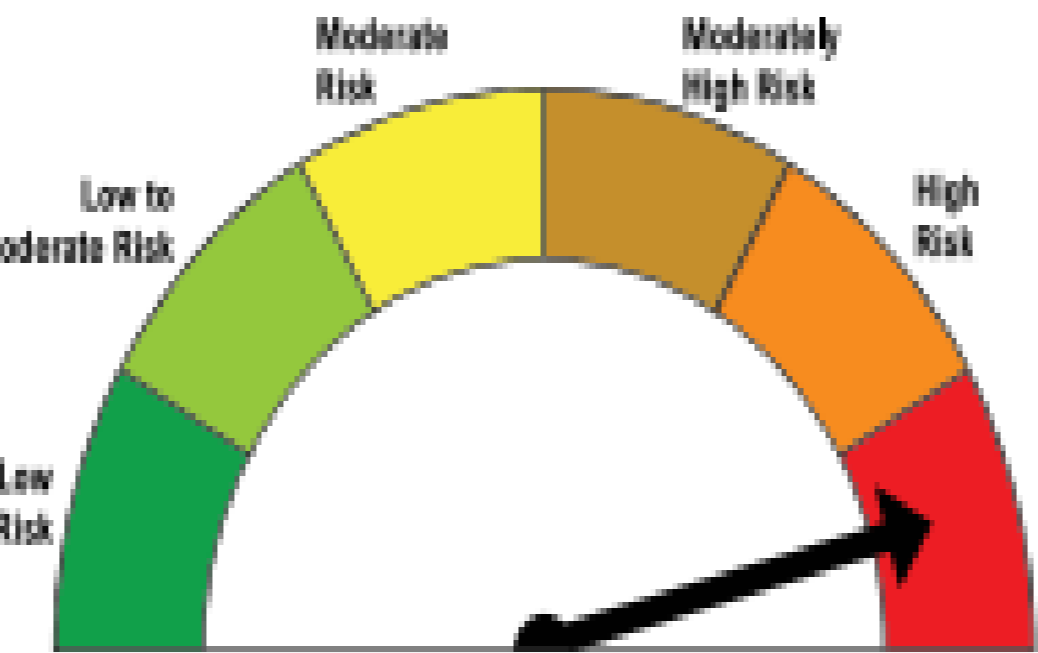
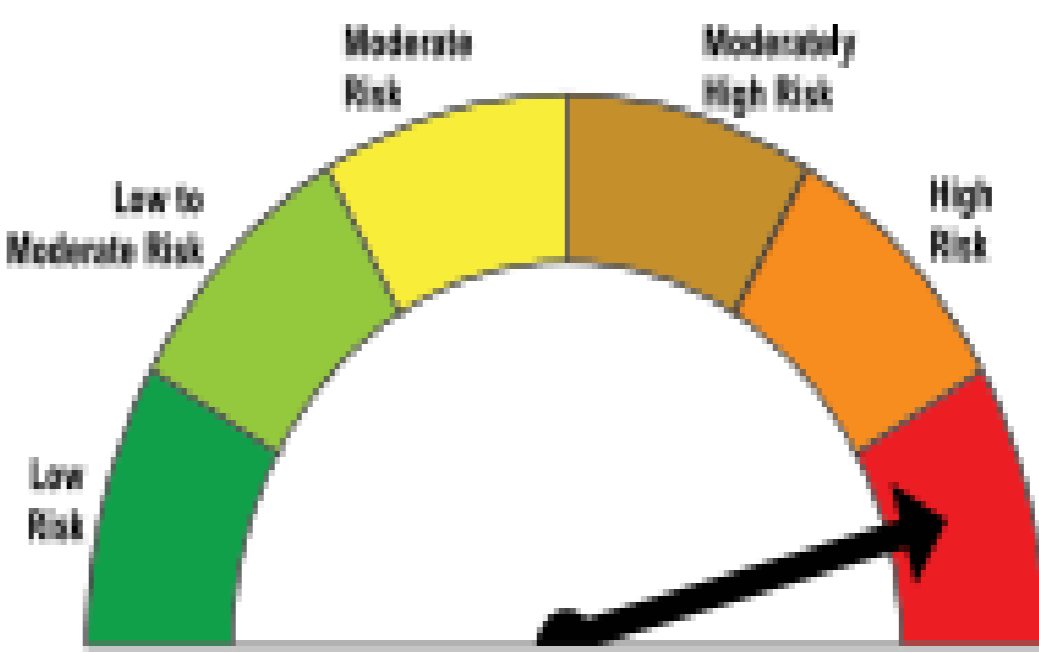
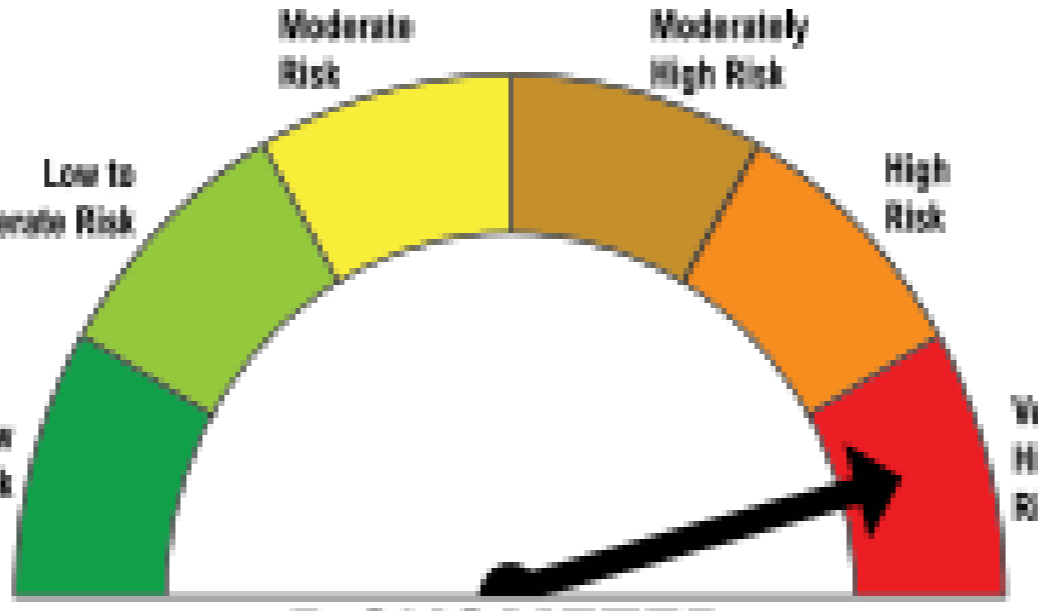
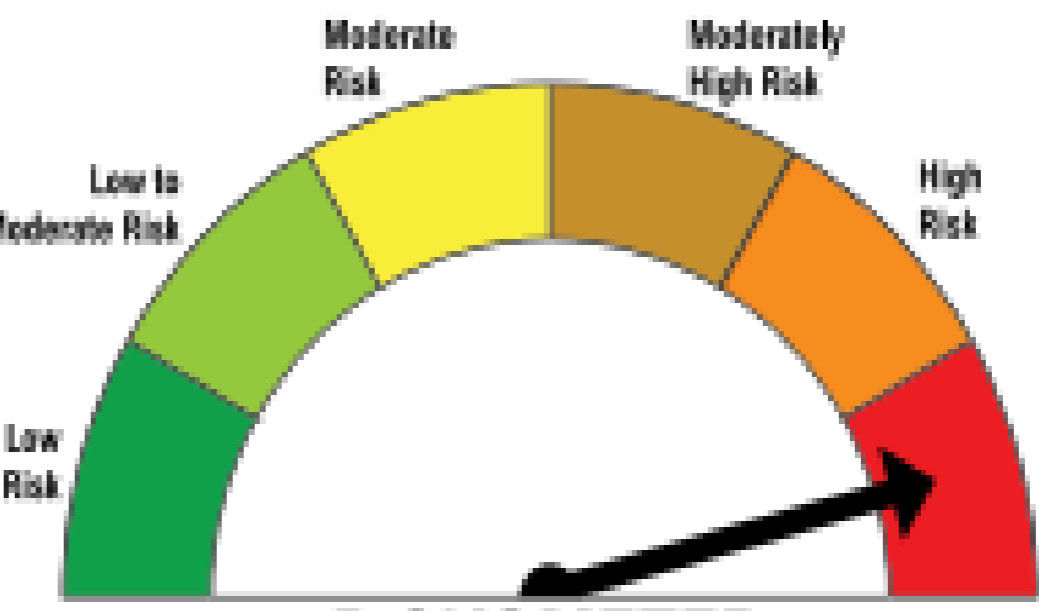
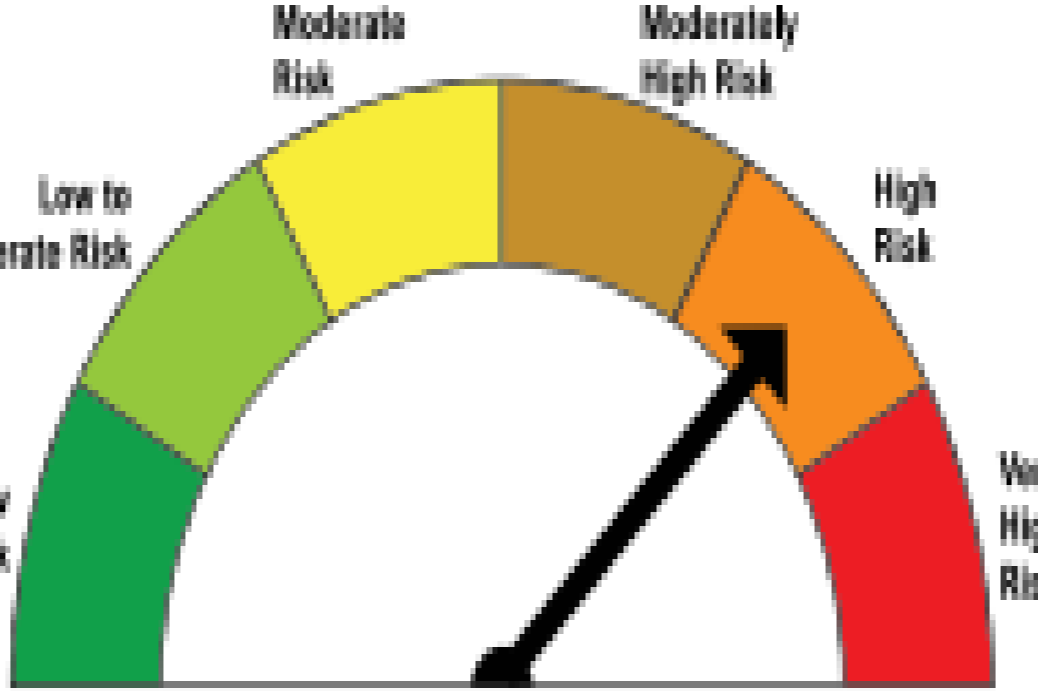
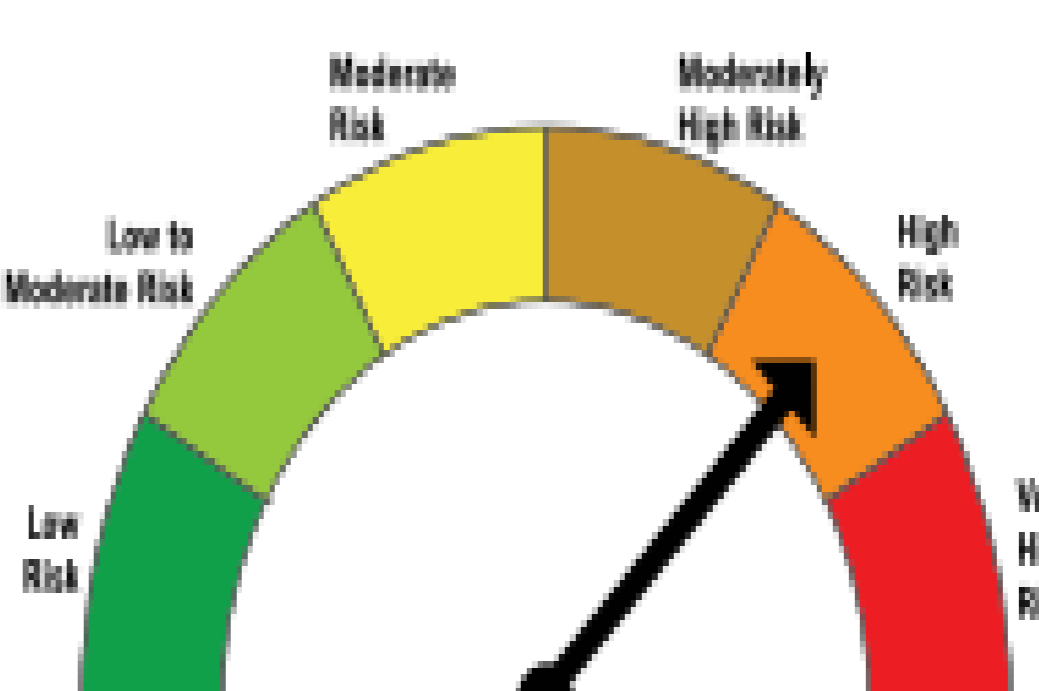
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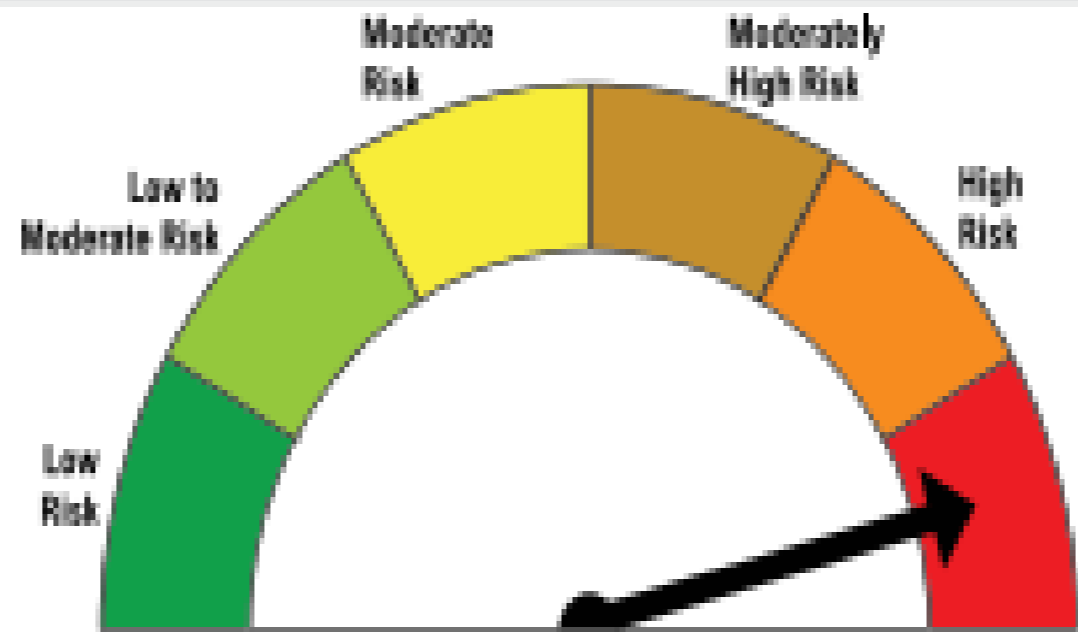
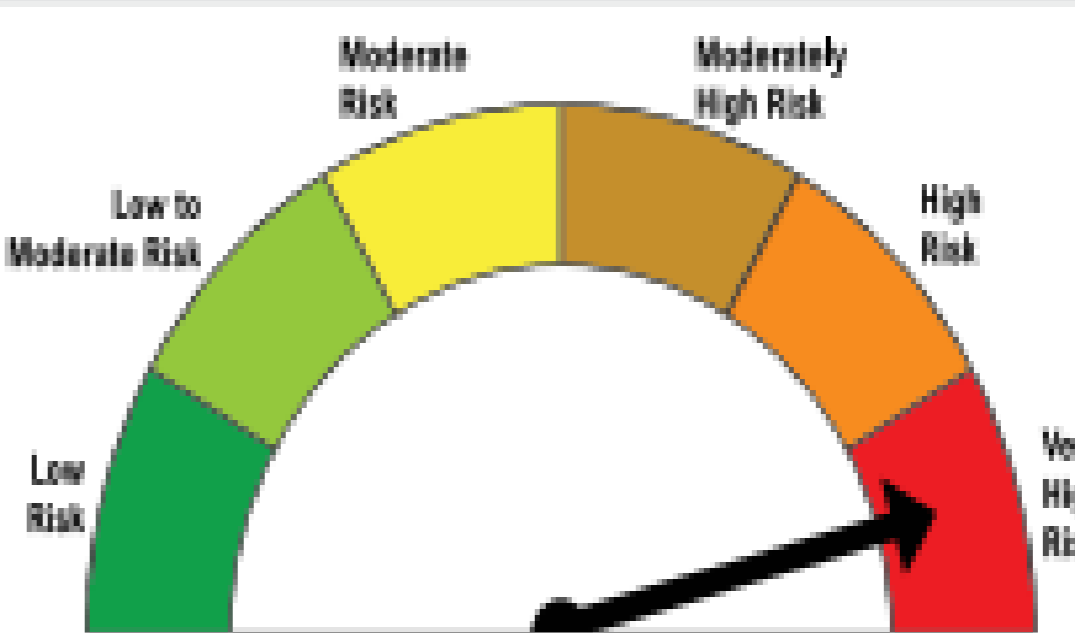
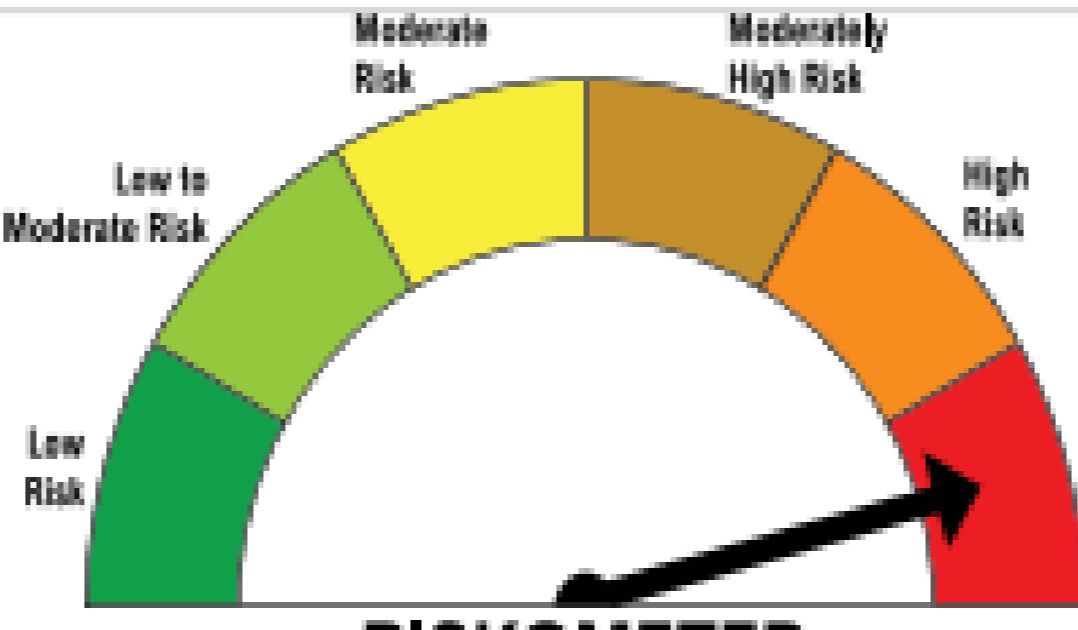
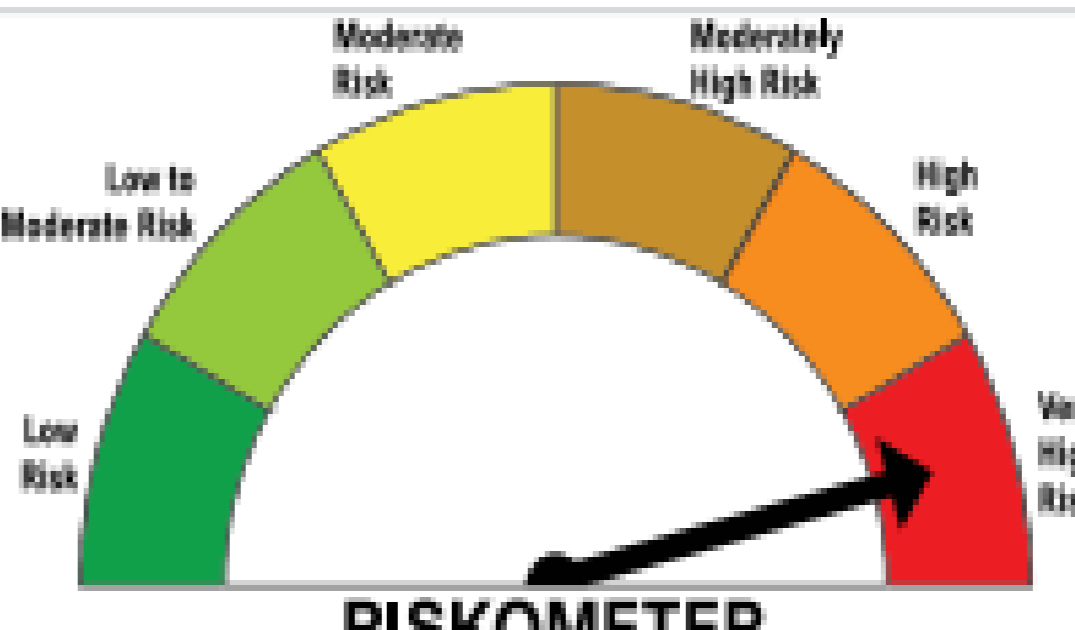
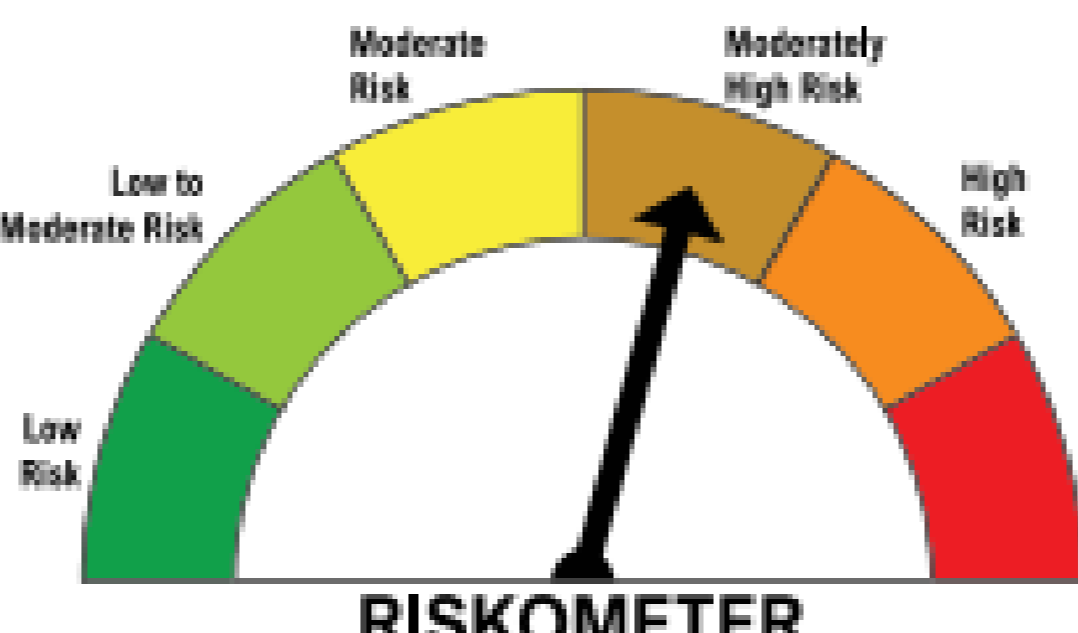
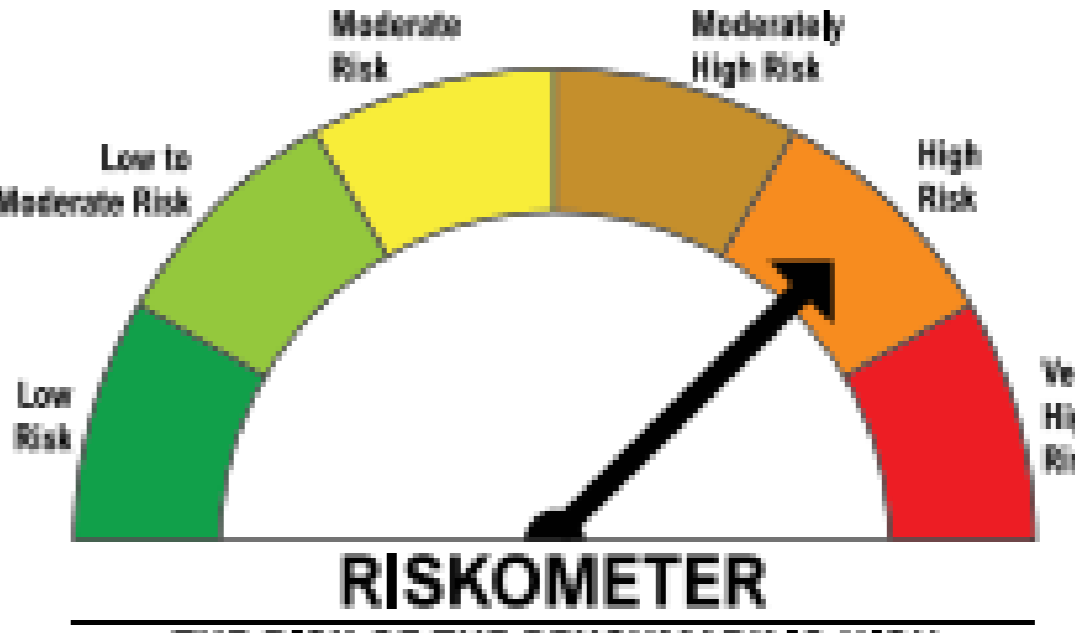
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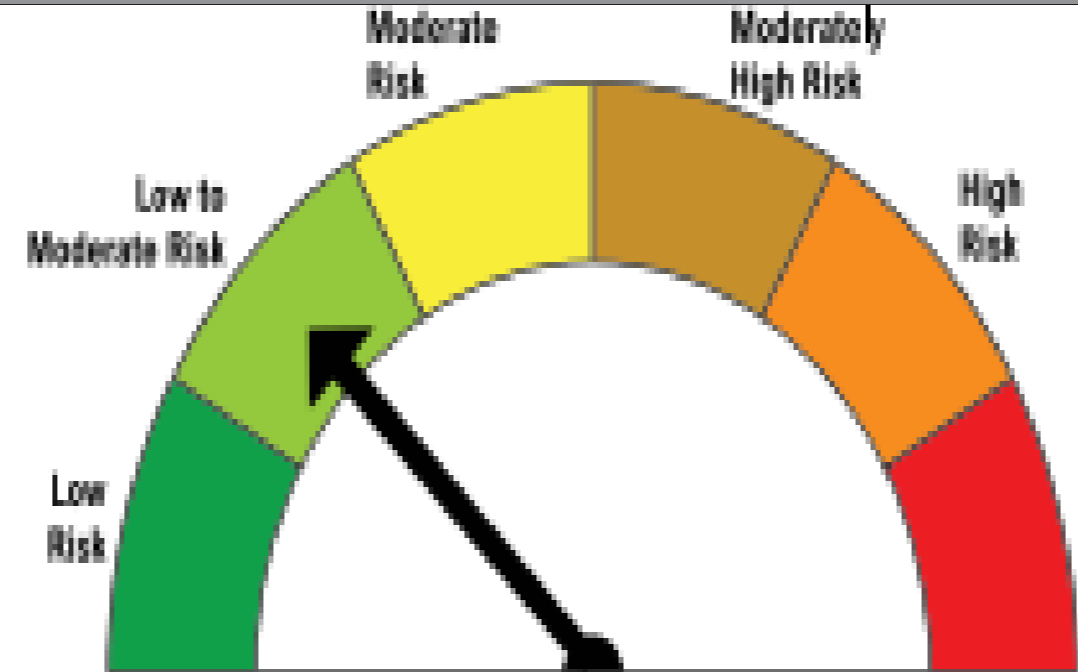
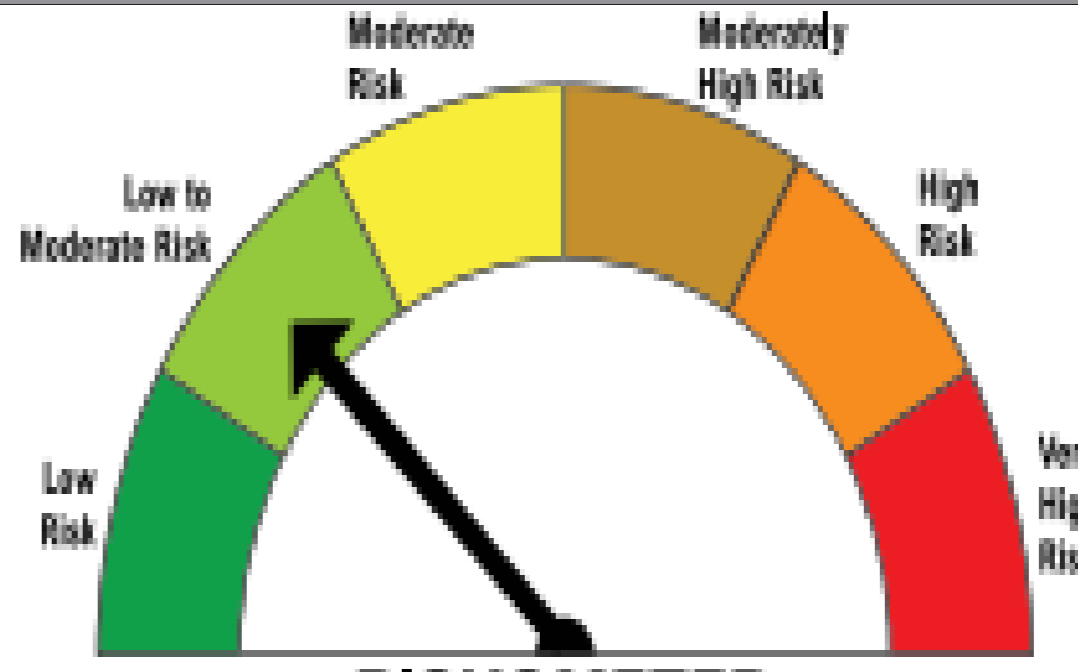
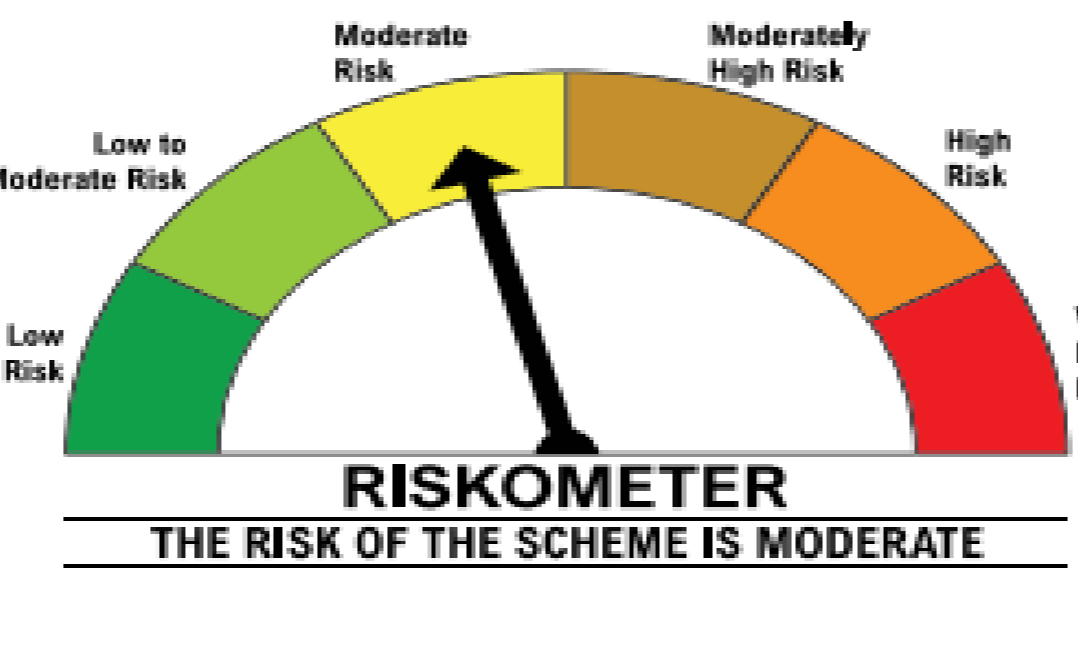
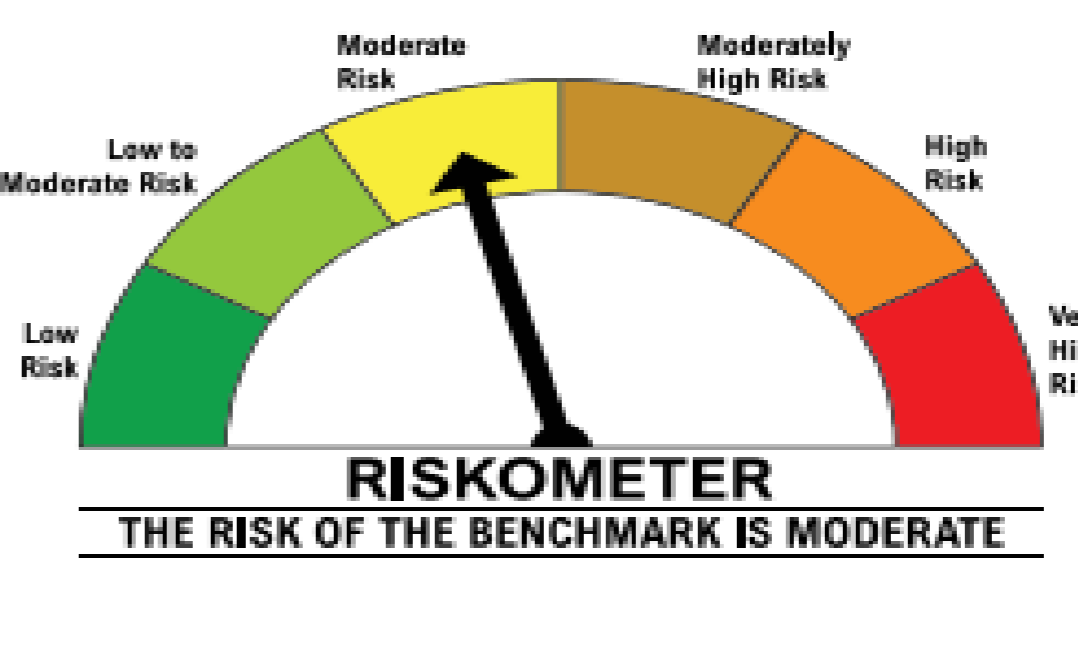
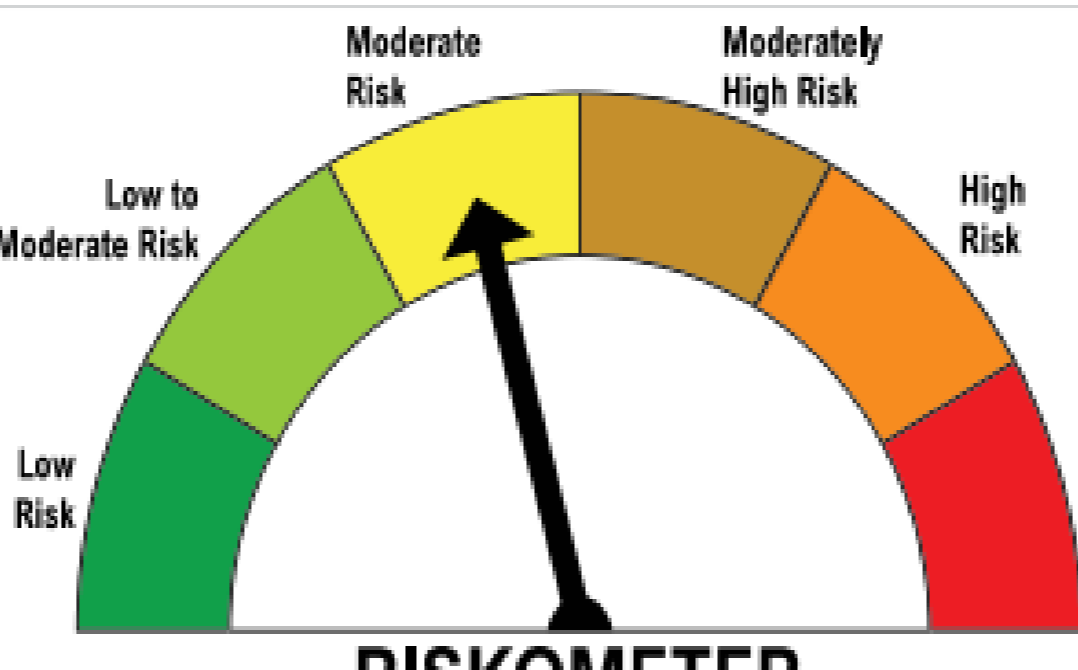
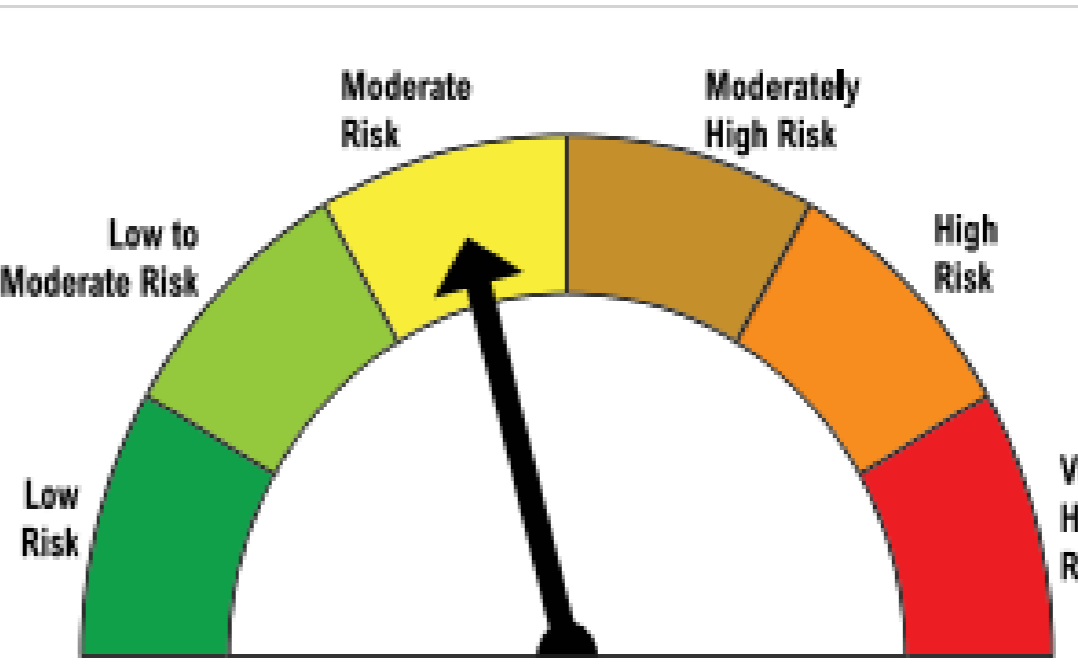
Product Labelling & Riskometer

Scheme	Product Suitability	Riskometer of Scheme	Name of Benchmark	Riskometer of Benchmark
DSP Nifty Top 10 Equal Weight Index Fund An open ended scheme replicating/ tracking Nifty Top 10 Equal Weight Index.	This product is suitable for investor who are seeking* <ul style="list-style-type: none"> Long-term capital growth Investment in equity and equity related securities covered by Nifty Top 10 Equal Weight Index, subject to tracking error. 	 <p>RISKOMETER THE RISK OF THE SCHEME IS VERY HIGH</p>	Nifty Top 10 Equal Weight TRI	 <p>RISKOMETER THE RISK OF THE BENCHMARK IS VERY HIGH</p>
DSP Value Fund An open ended equity scheme following a value investment strategy	This product is suitable for investors investors who are seeking* <ul style="list-style-type: none"> to generate long-term capital appreciation / income in the long term investment primarily in undervalued stocks 	 <p>RISKOMETER THE RISK OF THE SCHEME IS VERY HIGH</p>	Nifty 500 TRI	 <p>RISKOMETER THE RISK OF THE BENCHMARK IS VERY HIGH</p>
DSP Gold ETF Fund of Fund An open ended fund of fund scheme investing in DSP Gold ETF	This Product is suitable for investors who are seeking* <ul style="list-style-type: none"> Long-term capital growth Investments in units of DSP Gold ETF which in turn invest in Physical Gold 	 <p>RISKOMETER THE RISK OF THE SCHEME IS HIGH</p>	Domestic Price of Physical Gold (based on London Bullion Market Association (LBMA) gold daily spot fixing price)	 <p>RISKOMETER THE RISK OF THE BENCHMARK IS HIGH</p>

Product Labelling & Riskometer

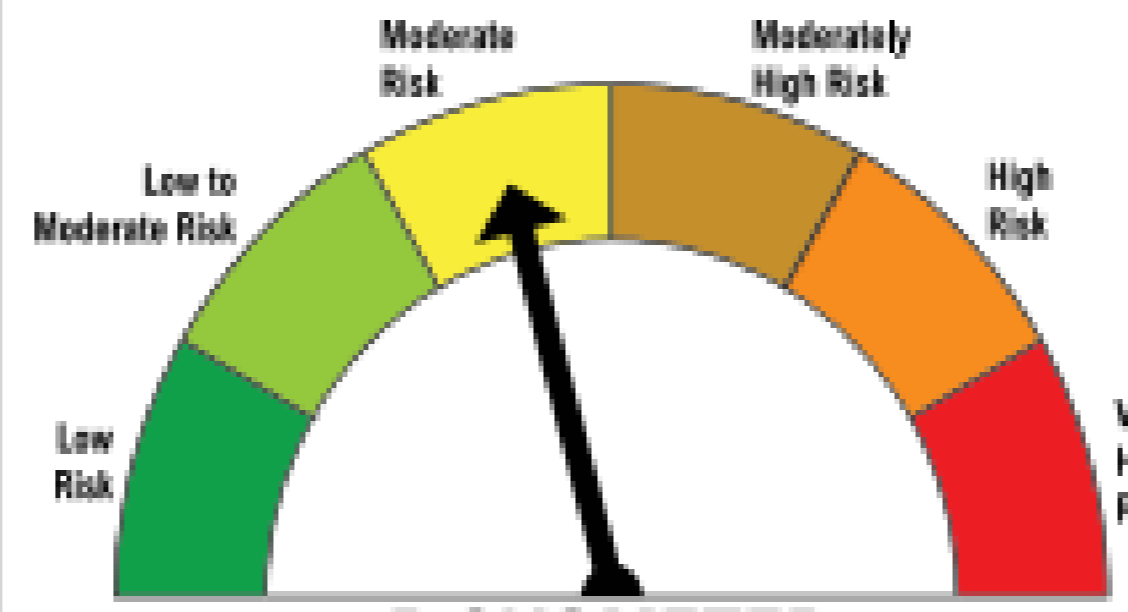
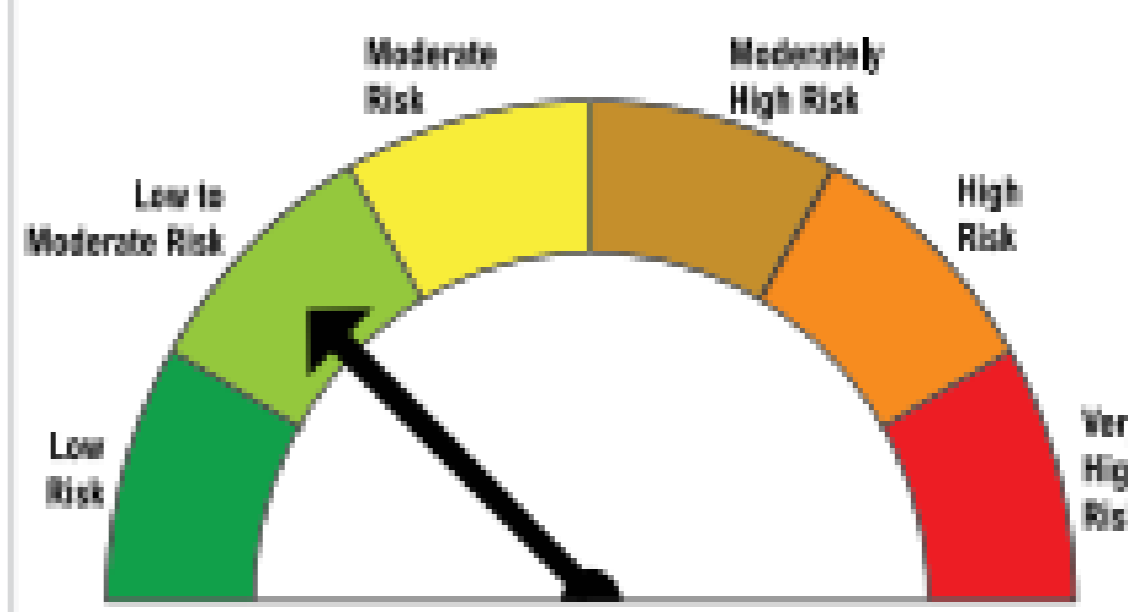
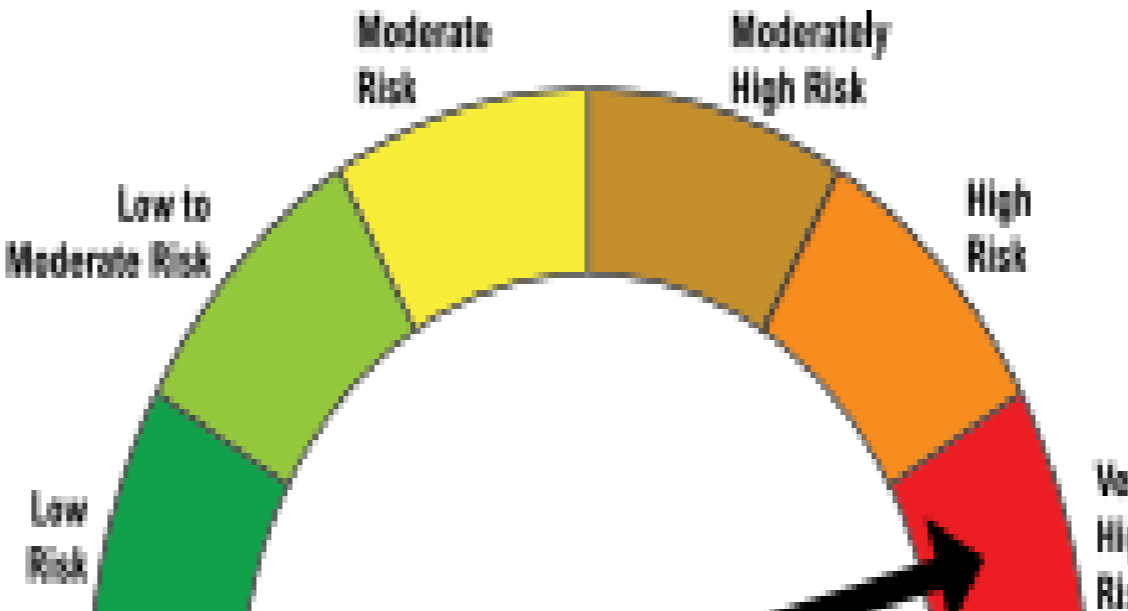
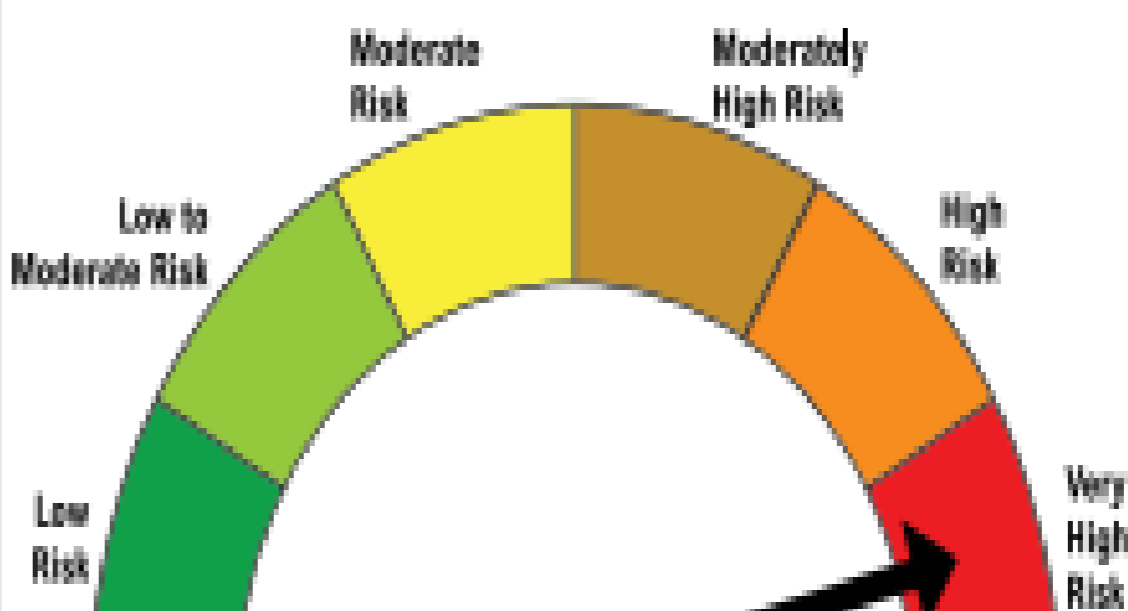
Scheme	Product Suitability	Riskometer of Scheme	Name of Benchmark	Riskometer of Benchmark
DSP Nifty IT Index Fund An open ended scheme replicating / tracking Nifty IT Index	This product is suitable for investors who are seeking* <ul style="list-style-type: none"> Long term capital growth Investment in equity and equity related securities covered by Nifty IT Index, subject to tracking error. 	 <p>RISKOMETER THE RISK OF THE SCHEME IS VERY HIGH</p>	Nifty IT TRI	 <p>RISKOMETER THE RISK OF THE BENCHMARK IS VERY HIGH</p>
DSP Healthcare Fund An open ended equity scheme investing in healthcare and pharmaceutical sector	This Product is suitable for investors who are seeking* <ul style="list-style-type: none"> Long term capital growth Investment in equity and equity related Securities of healthcare and pharmaceutical companies 	 <p>RISKOMETER THE RISK OF THE SCHEME IS VERY HIGH</p>	BSE HEALTHCARE (TRI)	 <p>RISKOMETER THE RISK OF THE BENCHMARK IS VERY HIGH</p>
DSP Dynamic Asset Allocation Fund An open ended dynamic asset allocation fund #Please refer to Notice cum addendum dated August 08, 2024 for change in fundamental attribute of scheme with effect from September 21, 2024.	This product is suitable for investors who are seeking* <ul style="list-style-type: none"> Long-term capital growth Investment in equity and equity related securities including the use of equity derivatives strategies and arbitrage opportunities with balance exposure in debt and money market instruments. 	 <p>RISKOMETER THE RISK OF THE SCHEME IS MODERATELY HIGH</p>	CRISIL Hybrid 50+50 - Moderate Index	 <p>RISKOMETER THE RISK OF THE BENCHMARK IS HIGH</p>

Product Labelling & Riskometer

Scheme	Product Suitability	Riskometer of Scheme	Name of Benchmark	Riskometer of Benchmark
DSP Savings Fund An open ended debt scheme investing in money market instruments. A relatively low interest rate risk and moderate credit risk.	This Product is suitable for investors who are seeking* <ul style="list-style-type: none"> Income over a short-term investment horizon Investment in money market instruments with maturity less than or equal to 1 year. 	 <p>RISKOMETER THE RISK OF THE SCHEME IS LOW TO MODERATE</p>	CRISIL Money Market A-I Index	 <p>RISKOMETER THE RISK OF THE BENCHMARK IS LOW TO MODERATE</p>
DSP CRISIL-IBX 50:50 Gilt Plus SDL - April 2033 Index Fund (Erstwhile known as DSP CRISIL SDL Plus G-Sec Apr 2033 50:50 Index Fund) An open ended target maturity index fund investing in the constituents of CRISIL-IBX 50:50 Gilt Plus SDL Index - April 2033. A relatively high interest rate risk and relatively low credit risk. Please refer to Notice cum addendum dated May 27, 2025 for change of scheme name and change of benchmark for above scheme with immediate effect.	This Product is suitable for investors who are seeking* <ul style="list-style-type: none"> Income over long term An open ended target maturity index fund that seeks to track the performance CRISIL-IBX 50:50 Gilt Plus SDL Index - April 2033, subject to tracking error. 	 <p>RISKOMETER THE RISK OF THE SCHEME IS MODERATE</p>	CRISIL-IBX 50:50 Gilt Plus SDL Index - April 2033	 <p>RISKOMETER THE RISK OF THE BENCHMARK IS MODERATE</p>
DSP Strategic Bond Fund An open ended dynamic debt scheme investing across duration. A relatively high interest rate risk and moderate credit risk.	This Product is suitable for investors who are seeking* <ul style="list-style-type: none"> Income over a medium to long term investment horizon Investment in actively managed portfolio of money market and debt securities 	 <p>RISKOMETER THE RISK OF THE SCHEME IS MODERATE</p>	CRISIL Dynamic Bond A-III Index	 <p>RISKOMETER THE RISK OF THE BENCHMARK IS MODERATE</p>

*Investors should consult their financial advisors if in doubt about whether the scheme is suitable for them.

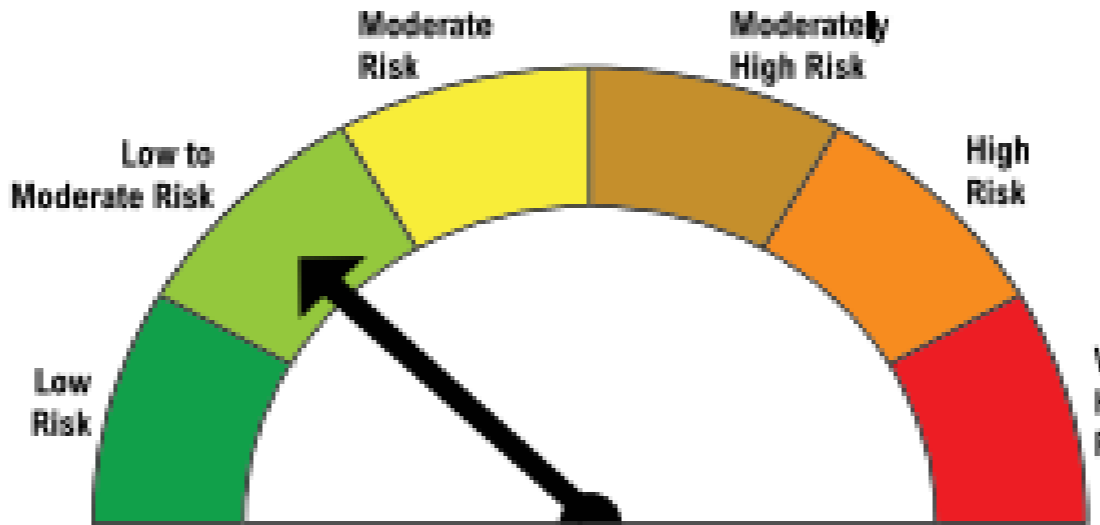
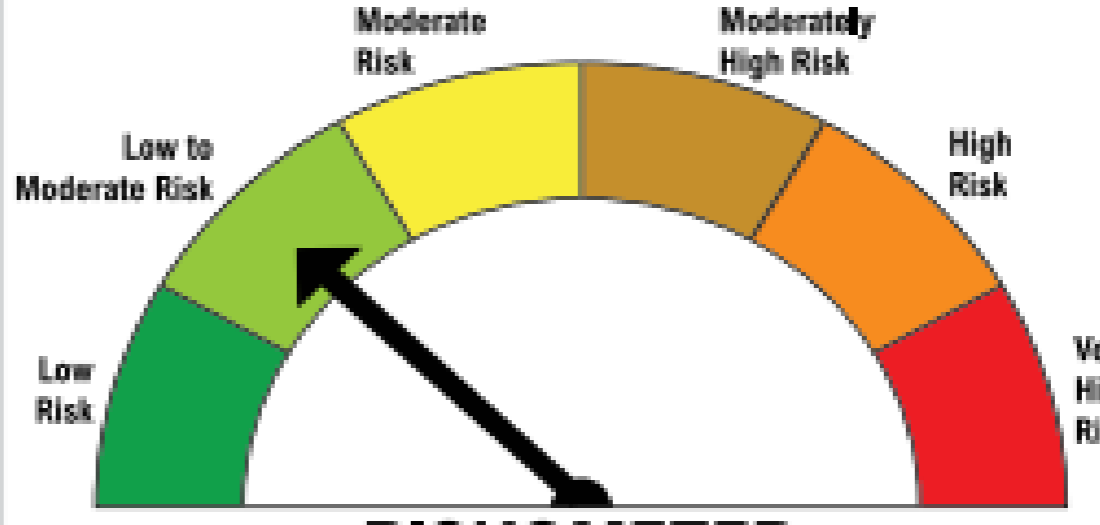
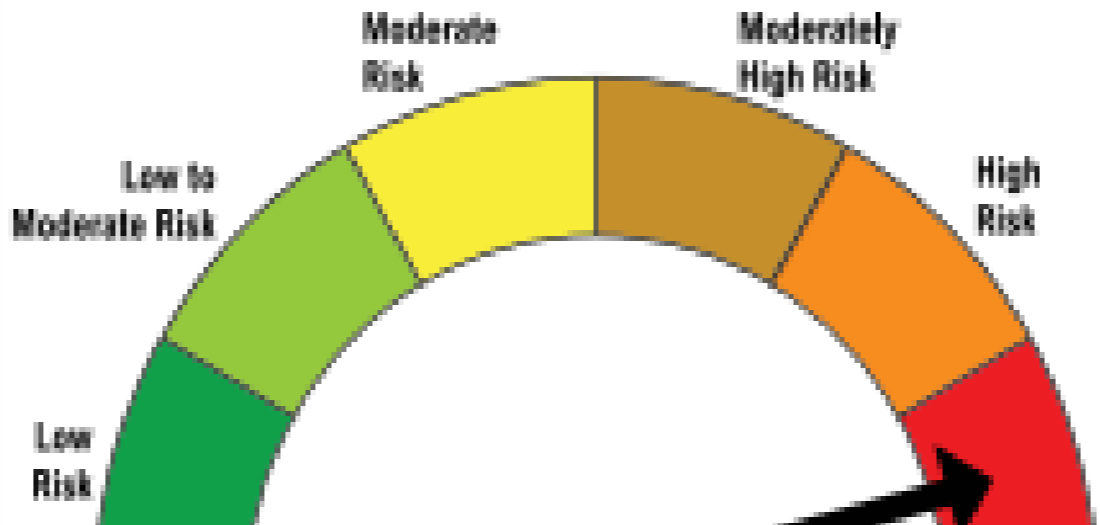
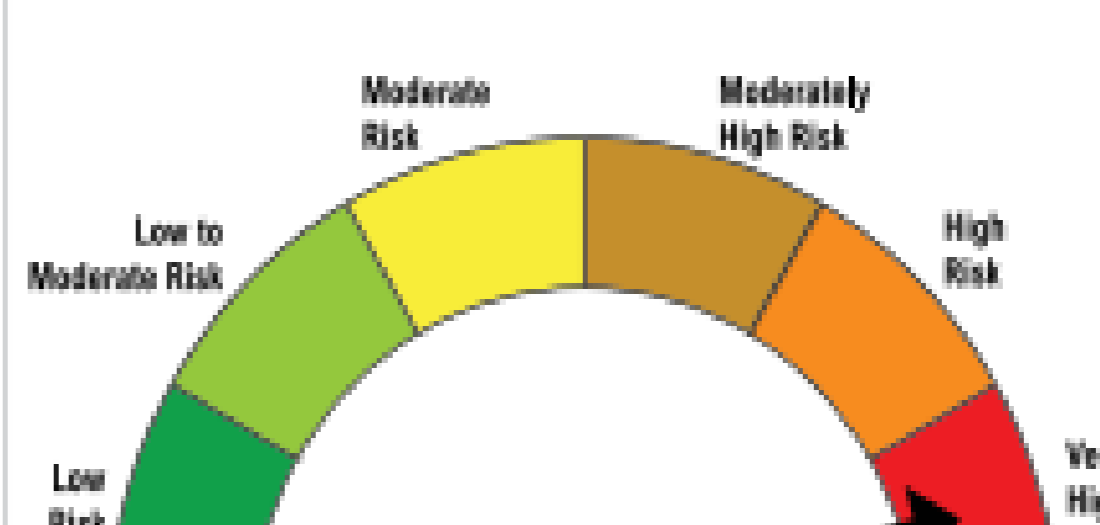
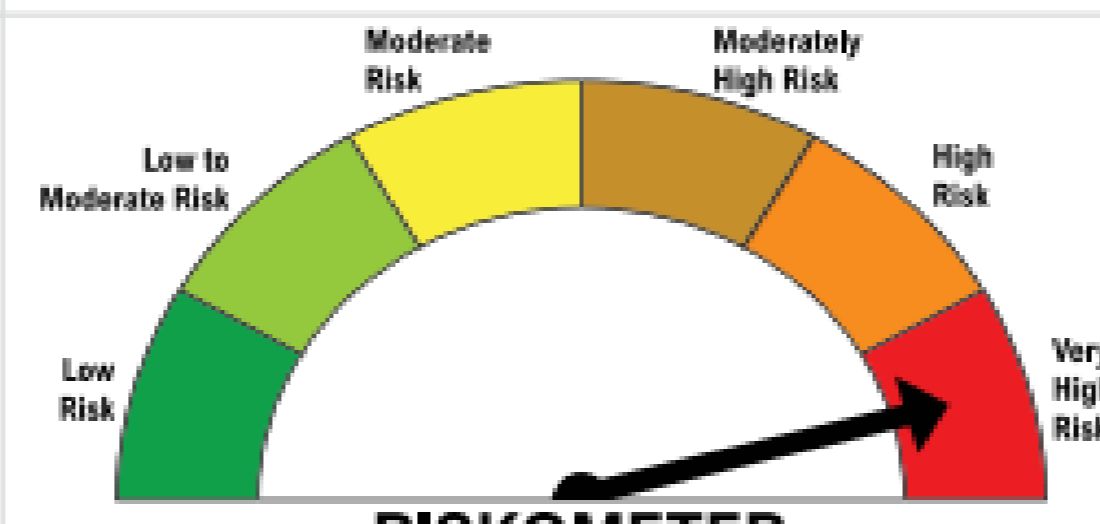
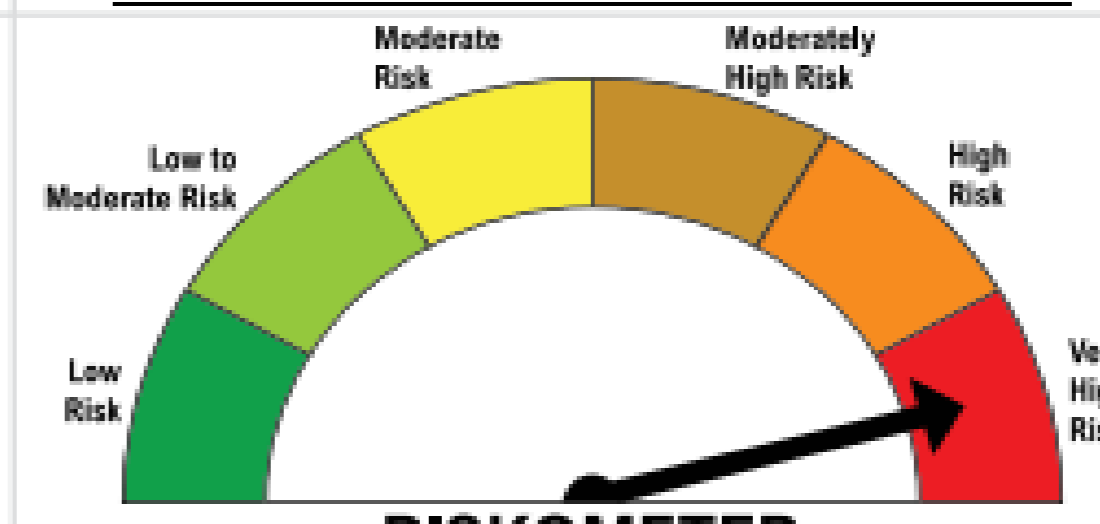
Product Labelling & Riskometer

Scheme	Product Suitability	Riskometer of Scheme	Name of Benchmark	Riskometer of Benchmark
<p>DSP Income Plus Arbitrage Omni FoF^^ (Erstwhile known as DSP Income Plus Arbitrage Fund of Fund)</p> <p>An open ended fund of funds scheme investing in units of debt oriented schemes and arbitrage schemes.</p>	<p>This Product is suitable for investors who are seeking*</p> <ul style="list-style-type: none">Income Generation & capital appreciation through investments in units of arbitrage and debt-oriented schemes. <p>Please refer to Notice cum addendum dated February 4, 2025 for change in fundamental attribute of scheme with effect from March 11, 2025</p>	 <p>RISKOMETER THE RISK OF THE SCHEME IS MODERATE</p>	<p>40% NIFTY 50 Arbitrage Index + 60% NIFTY Composite Debt Index</p>	 <p>RISKOMETER THE RISK OF THE BENCHMARK IS LOW TO MODERATE</p>
<p>DSP Quant Fund</p> <p>An Open ended equity Scheme investing based on a quant model theme</p> <p>Please refer to Notice cum addendum dated October 22, 2024 for change in fundamental attribute of scheme with effect from November 28, 2024.</p>	<p>This Product is suitable for investors who are seeking*</p> <ul style="list-style-type: none">Long term capital growthInvestment in active portfolio of stocks screened, selected, weighed and rebalanced on the basis of a quant model	 <p>RISKOMETER THE RISK OF THE SCHEME IS VERY HIGH</p>	<p>BSE 200 TRI</p>	 <p>RISKOMETER THE RISK OF THE BENCHMARK IS VERY HIGH</p>

^^The scheme name has been changed from ‘DSP Income Plus Arbitrage Fund of Fund’ to ‘DSP Income Plus Arbitrage Omni FoF’ and the scheme benchmark has been changed from ‘40% NIFTY 50 Arbitrage Index + 60% CRISIL Dynamic Bond A-III Index’ to ‘40% NIFTY 50 Arbitrage Index + 60% NIFTY Composite Debt Index’ w.e.f. August 31, 2025. **Please refer to Notice cum addendum dated August 22, 2025 for change of name of few of the schemes w.e.f. August 31, 2025.

*Investors should consult their financial advisors if in doubt about whether the scheme is suitable for them.

Product Labelling & Riskometer

Scheme	Product Suitability	Riskometer of Scheme	Name of Benchmark	Riskometer of Benchmark
DSP Corporate Bond Fund An open ended debt scheme predominantly investing in AA+ and above rated corporate bonds. A relatively high interest rate risk and moderate credit risk.	This Product is suitable for investors who are seeking* <ul style="list-style-type: none"> Income over a medium-term to long term investment horizon Investment in money market and debt securities 	 <p>RISKOMETER THE RISK OF THE SCHEME IS LOW TO MODERATE</p>	CRISIL Corporate Debt A-II Index	 <p>RISKOMETER THE RISK OF THE BENCHMARK IS LOW TO MODERATE</p>
DSP Banking & Financial Services Fund An open ended equity scheme investing in banking and financial services sector	This Product is suitable for investors who are seeking* <ul style="list-style-type: none"> Long-term capital growth Investment in equity and equity related securities of banking and financial services companies 	 <p>RISKOMETER THE RISK OF THE SCHEME IS VERY HIGH</p>	Nifty Financial Services TRI	 <p>RISKOMETER THE RISK OF THE BENCHMARK IS VERY HIGH</p>
DSP Large Cap Fund (Erstwhile known as DSP Top 100 Equity Fund) Large Cap Fund- An open ended equity scheme predominantly investing in large cap stocks Please refer to Notice cum addendum dated April 28, 2025 for change of scheme name w.e.f. May 01, 2025.	This Product is suitable for investors who are seeking* <ul style="list-style-type: none"> Long-term capital growth Investment in equity and equity-related securities predominantly of large cap companies 	 <p>RISKOMETER THE RISK OF THE SCHEME IS VERY HIGH</p>	BSE 100 (TRI)	 <p>RISKOMETER THE RISK OF THE BENCHMARK IS VERY HIGH</p>

Product Labelling & Riskometer

Scheme	Product Suitability	Riskometer of Scheme	Name of Benchmark	Riskometer of Benchmark
<p>DSP Multi Asset Allocation Fund</p> <p>An open ended scheme investing in equity/equity related securities, debt/ money market instruments, commodity ETFs, exchange traded commodity derivatives and overseas securities</p>	<p>This Product is suitable for investors who are seeking*</p> <ul style="list-style-type: none">• Long-term capital growth• Investment in a multi asset allocation fund with investments across equity and equity related securities, debt and money market instruments, commodity ETFs, exchange traded commodity derivatives, overseas securities and other permitted instruments	<p>RISKOMETER THE RISK OF THE SCHEME IS VERY HIGH</p>	<p>40% NIFTY500 TRI + 20% NIFTY Composite Debt Index+ 15% Domestic Price of Physical Gold (based on London Bullion Market Association (LBMA) gold daily spot fixing price) + 5% iCOMDEX Composite Index + 20% MSCI World Index</p>	<p>RISKOMETER THE RISK OF THE BENCHMARK IS VERY HIGH</p>

*Investors should consult their financial advisors if in doubt about whether the scheme is suitable for them.

Potential Risk Class Matrix For Debt Scheme(s) Of The Fund

Potential Risk Class Matrix: The potential risk class matrix of the Scheme based on interest rate risk and credit risk is as follows:

Scheme names	Potential Risk Class Matrix (PRC Matrix)			
DSP Savings Fund	Potential Risk Class			
	Credit Risk →	Relatively Low (Class A)	Moderate (Class B)	Relatively High (Class C)
	Interest Rate Risk ↓			
	Relatively Low (Class I)	-	B-I	-
	Moderate (Class II)	-	-	-
	Relatively High (Class III)	-	-	-
DSP Corporate Bond Fund	Potential Risk Class			
	Credit Risk →	Relatively Low (Class A)	Moderate (Class B)	Relatively High (Class C)
	Interest Rate Risk ↓			
	Relatively Low (Class I)	-	-	-
	Moderate (Class II)	-	-	-
	Relatively High (Class III)	-	B-III	-

Potential Risk Class Matrix For Debt Scheme(s) Of The Fund

Potential Risk Class Matrix: The potential risk class matrix of the Scheme based on interest rate risk and credit risk is as follows:

DSP Strategic Bond Fund	Potential Risk Class			
	Credit Risk →	Relatively Low (Class A)	Moderate (Class B)	Relatively High (Class C)
	Interest Rate Risk ↓			
	Relatively Low (Class I)	-	-	-
	Moderate (Class II)	-	-	-
	Relatively High (Class III)	-	B-III	-

DSP CRISIL-IBX 50:50 Gilt Plus SDL – April 2033 Index Fund (Erstwhile known as DSP CRISIL SDL Plus G-Sec Apr 2033 50:50 Index Fund)	Potential Risk Class			
	Credit Risk →	Relatively Low (Class A)	Moderate (Class B)	Relatively High (Class C)
	Interest Rate Risk ↓			
	Relatively Low (Class I)	-	-	-
	Moderate (Class II)	-	-	-
	Relatively High (Class III)	A-III	-	-

Disclaimer

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All figures and other data given in this document for the fund and the model are as on 30th November 2025 (unless otherwise specified) and the same may or may not be relevant in future and the same should not be considered as solicitation/ recommendation/guarantee of future investments by the AMC or its affiliates. Investors are advised to consult their own legal, tax and financial advisors to determine possible tax, legal and other financial implication or consequence of subscribing to the units of DSP Mutual Fund. The investment approach / framework/ strategy / portfolio / other data mentioned herein are dated and currently followed by the scheme and the same may change in future depending on market conditions and other factors. The sector(s)/stock(s)/issuer(s) mentioned in this document do not constitute any recommendation of the same and the Fund may or may not have any future position in these sector(s)/stock(s)/issuer(s). **Investors should note that they will be bearing the recurring expenses of the scheme, in addition to the expenses of other schemes in which the Fund of Funds Scheme makes investments.**

Past performance may or may not be sustained in future and should not be used as a basis for comparison with other investments. These figures pertain to performance of the index/Model and do not in any manner indicate the returns/performance of this scheme.

Large caps are defined as top 100 stocks on market capitalization, mid caps as 101 250 small caps as 251 and above. For index disclaimer, [Click here](#)

There is no assurance of any returns/capital protection/capital guarantee to the investors in any of the schemes of DSP Mutual Fund.

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