DSP

THE NAVIGATOR

What do I do with my money?

September 2025

Released on 23rd September 2025

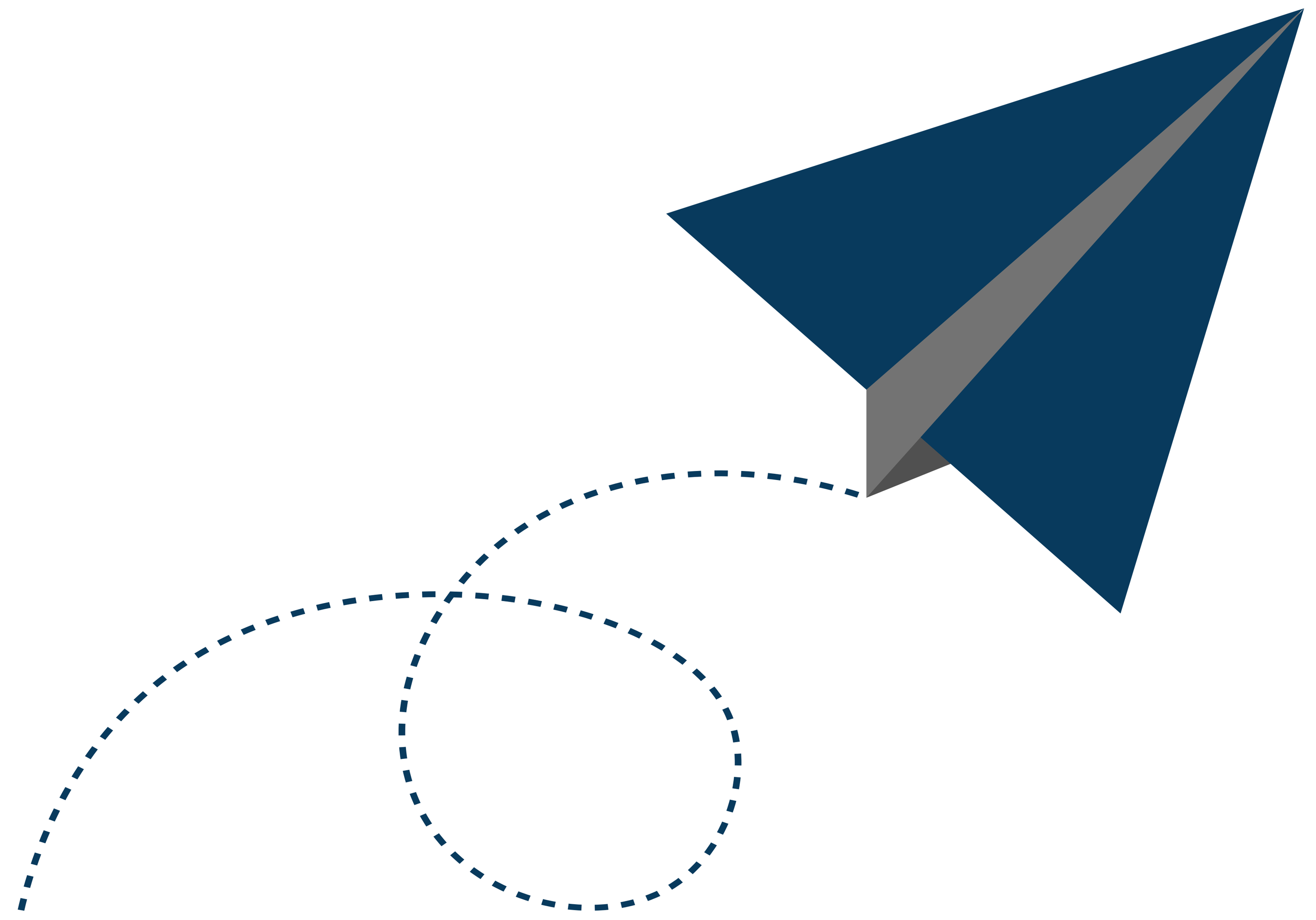
Objective: Why Navigator?

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.

Source, Internal, DSP
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 Drivers Of Returns

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

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Navigating Today: What Are We Saying?

Equity

- Nifty trades at 22.2x trailing earnings, while the Nifty Midcap 150 and Nifty Smallcap 250 indices are at 33x TTM PE. The Nifty 500 stands at 24.4x.
- At a 15% ROE, these valuations imply sustained earnings growth of 20%—a pace last seen during 2002–08 and the post-COVID rebound. However, India's long-term earnings growth has averaged ~11%, and in FY25, Nifty 500 profits (ex-OMCs) grew just 9%. There has been a sustained decline in q-o-q earnings growth as well.
- Monetary easing, income tax cuts and now indirect tax cuts are likely to put a floor on the slackening growth. However, lack of investments from corporates and slow nominal growth could keep corporate sales growth in check. With profit margins already at peak, profits are unlikely to clock 20% growth for broad markets. Hence a valuations de-rating is likely or may be already underway. Last 12 months have been a period of time correction aka valuations de-rating, although valuations continue to remain elevated.
- Given this backdrop, investors should adopt a selective, conservative stance, focusing on BFSI, healthcare, IT and resilient consumer plays.

Interest Rates and Macros

- We expect GSec yields are likely to fall, but the path will be painful. The trajectory is unclear although longer term trend for rates is still lower.
- We expect GDP growth to remain slack after accounting for a marginal uptick because of tax cuts. While this will impact Govt revenue, it may not increase fiscal deficit materially. RBI will be less hawkish and focussed on growth. Thus, easy monetary policy, and disciplined fiscal policy could continue. Ongoing Rupee weakness could be a risk factor.
- The banks have not bought GSec in H1. However, banks will not maintain such low purchase in H2 as their deposit increase. A rise in yields to 6.75% before a move to 6.25% is possible. It is difficult to put odds as the market is facing severe liquidity holes during sell off. Thus, the timing of investment is crucial for risk management.

Gold & Silver

- We continue to have a positive view on Gold and Silver. With the trade wars now accompanied by geopolitical conflicts the role of Gold as a global reserve currency is only increasing. We see no incentive to change our view or second guess the trajectory. We continue to see these assets as an uncorrelated allocation.

Source: NSE, DSP. Data as of August 2025, ROE- Return on Equity. TTM – Trailing 12 Month, QoQ -Quarter on Quarter

Accumulation Of Debt
Creates An Illusion Of Prosperity

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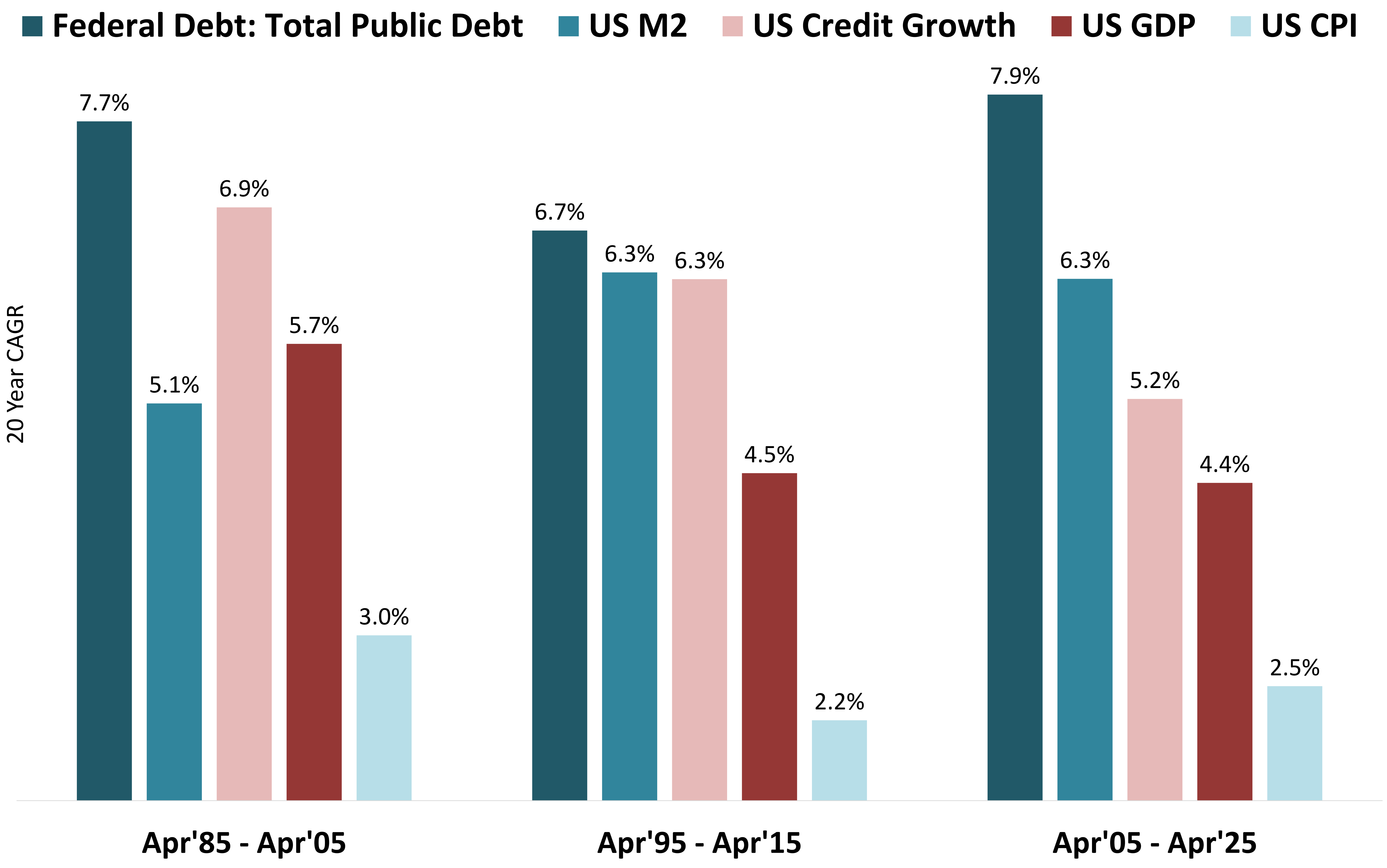
The Growth That Isn't Real

"Panics do not destroy capital; they merely reveal the extent to which it has been previously destroyed by its betrayal into hopelessly unproductive works."



Accumulation of debt creates an illusion of prosperity - however, fails to establish into real output. As a result, dwarfs the actually money creation in the economy, which further doesn't establish into same amount of real economic value.

The chart shows a simple but important sequence. Over the past four decades, each layer of financial expansion has outpaced the one beneath it. Federal debt has grown faster than money supply (M2). M2 has grown faster than credit extended to the private sector. Credit, in turn, has grown faster than GDP. And GDP has grown faster than prices faced by consumers (CPI).

At first glance, this looks like prosperity. **Debt fuels money creation, money fuels credit, credit fuels spending, and the economy seems larger.** But much like asset prices that climb far beyond their underlying value, this process creates an **illusion of wealth**. It is, in effect**, borrowing from the future — growth is pulled forward, but the claims on future income accumulate faster than the income itself.**

This illusion can last for years, even decades. The bezzle, as Munger puts it, is a form of phantom wealth: it makes households, firms, and governments feel richer than they really are. But eventually, the gap between financial claims and real output becomes too wide to ignore. When that point arrives, the adjustment is not gradual. It usually ends with a slowdown sharp enough to halt the cycle and force the system back in line with real productive capacity.

Over the last two decades, the illusion has grown stronger. Debt has repeatedly outstripped the economy's ability to turn it into sustainable output. That imbalance doesn't resolve quietly. It resolves when the illusion breaks.

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Source: Fred, DSP. Data as on August 2025

The Bigger Question:
Who Is NOT Dumping US Assets?

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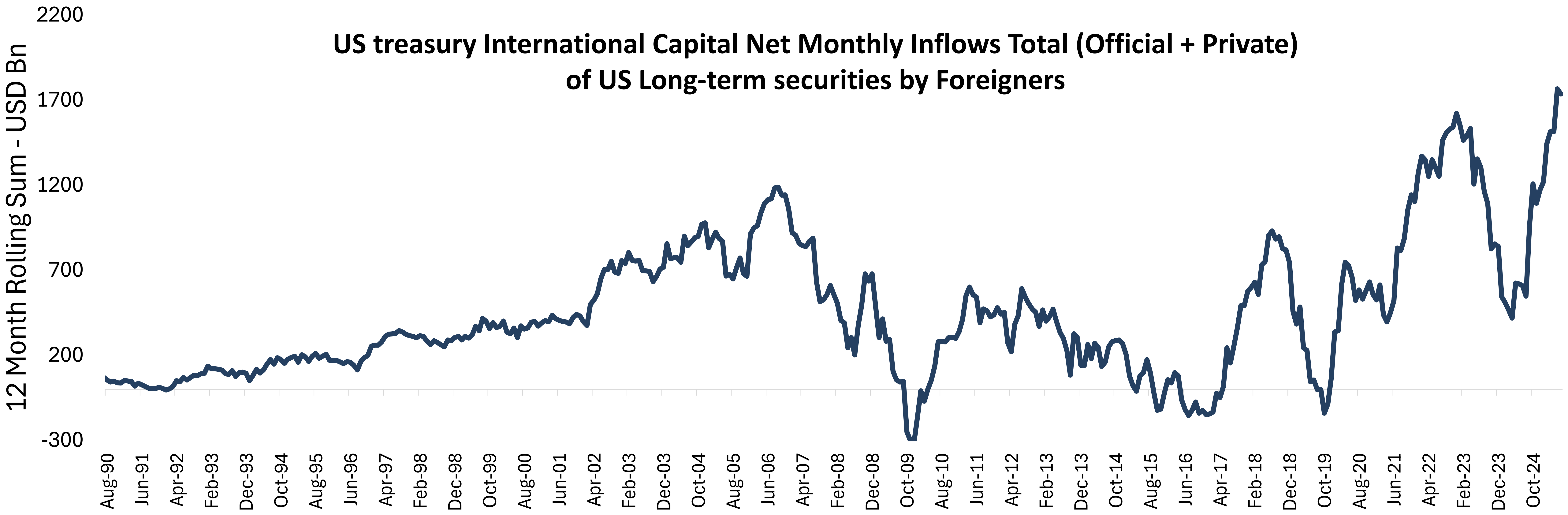
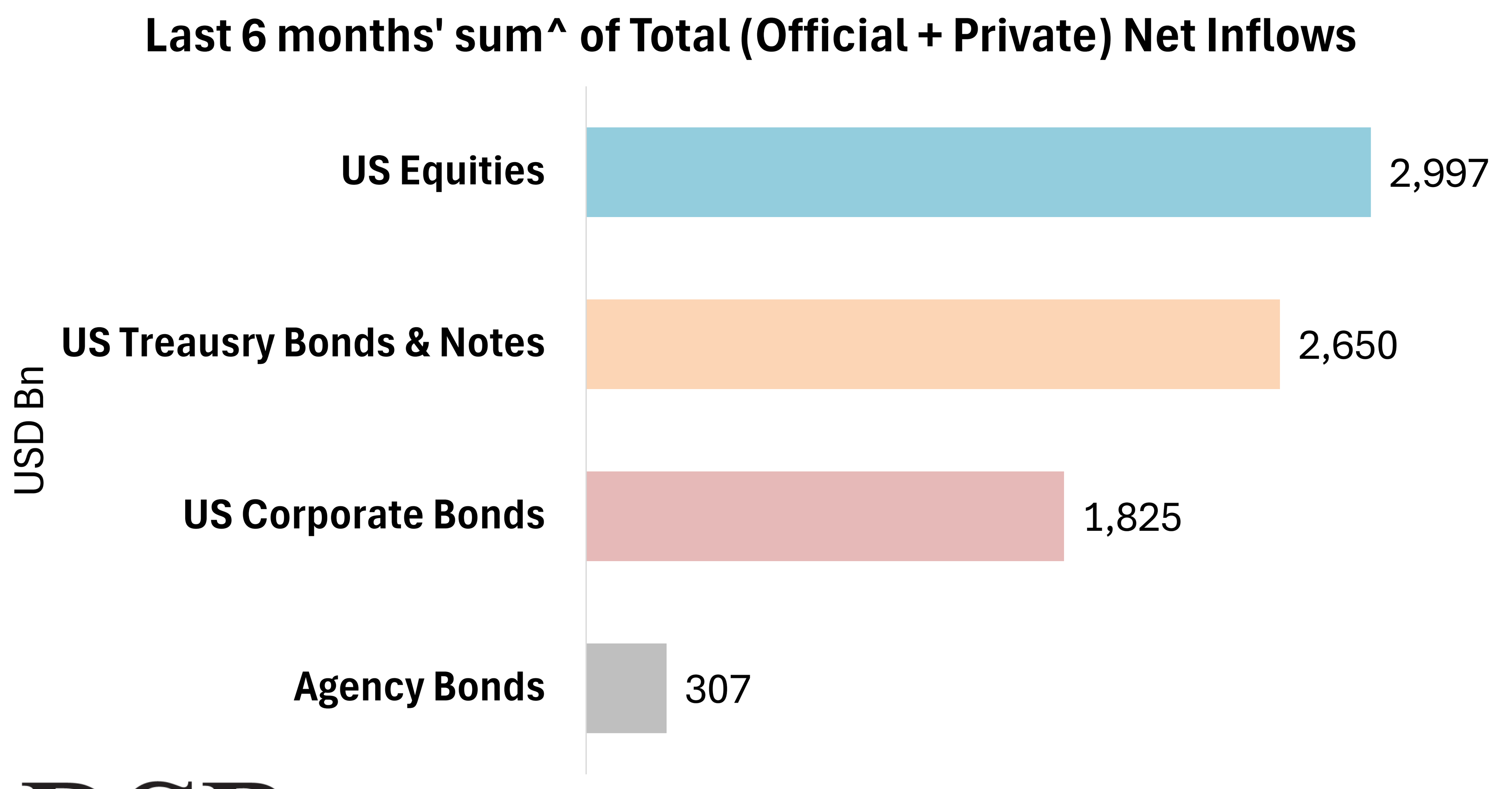
The Gap Between The Narrative And The Flows

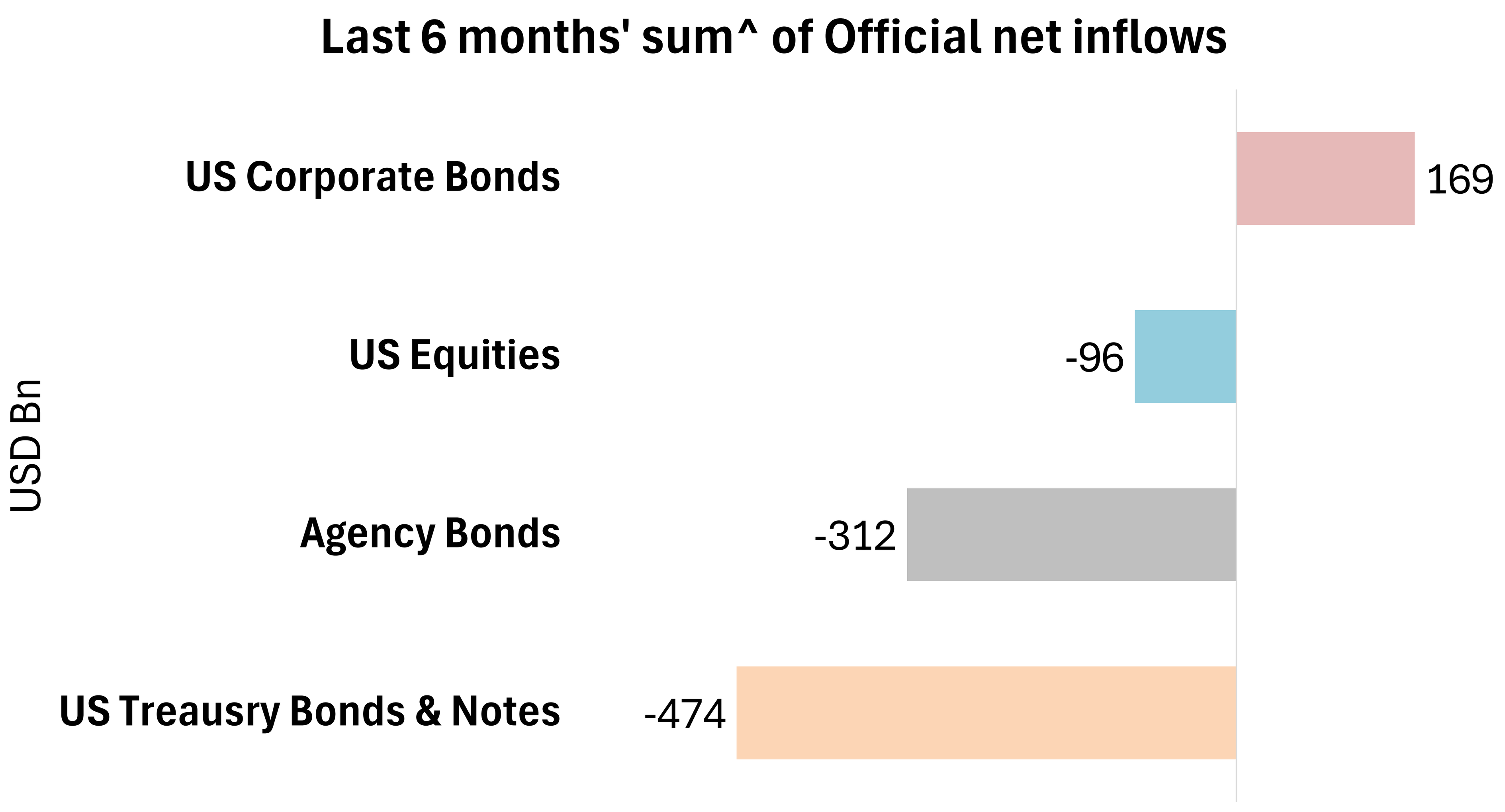


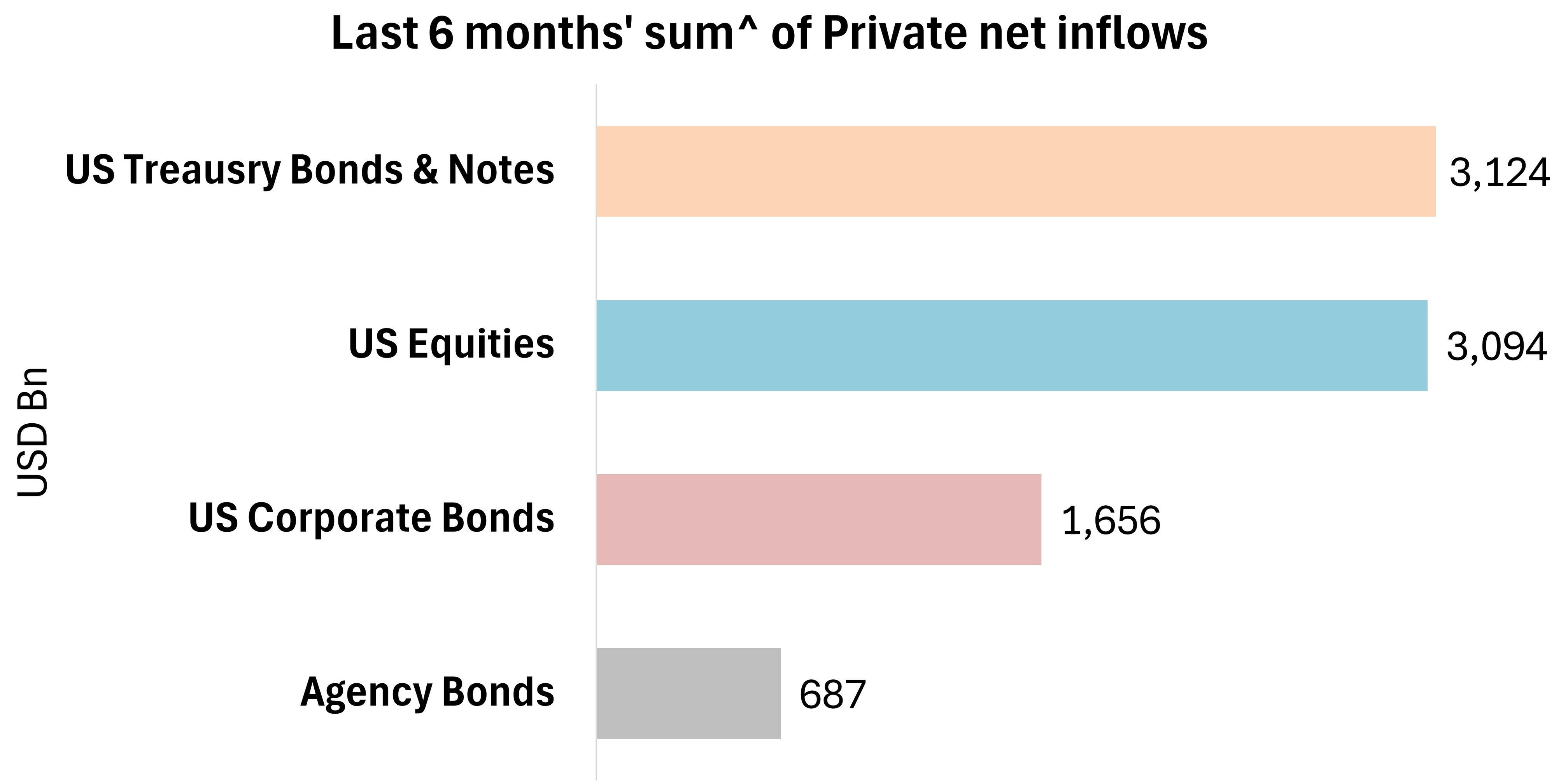
By most accounts, the consensus on the dollar is overwhelmingly bearish. The popular narrative suggests investors are rushing out of dollars and into euros or gold.

But the data tell a different story. US net foreign capital inflows climbed to a record $1.74 trillion in the 12 months through June. In other words, while the rhetoric is about "dollar selling," the money trail shows continued appetite for US assets.

The gap between the narrative and the flows is worth keeping in mind.







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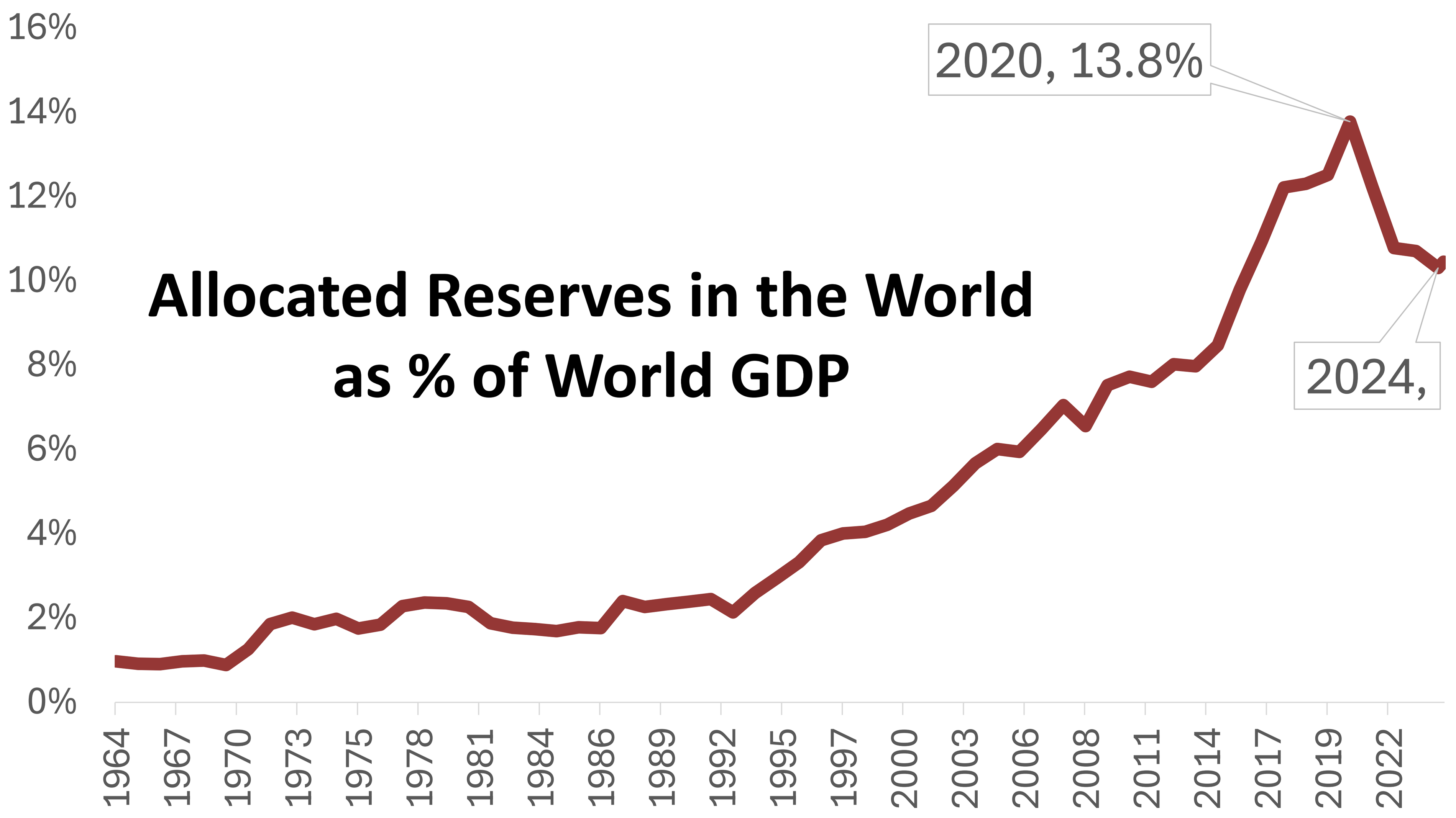
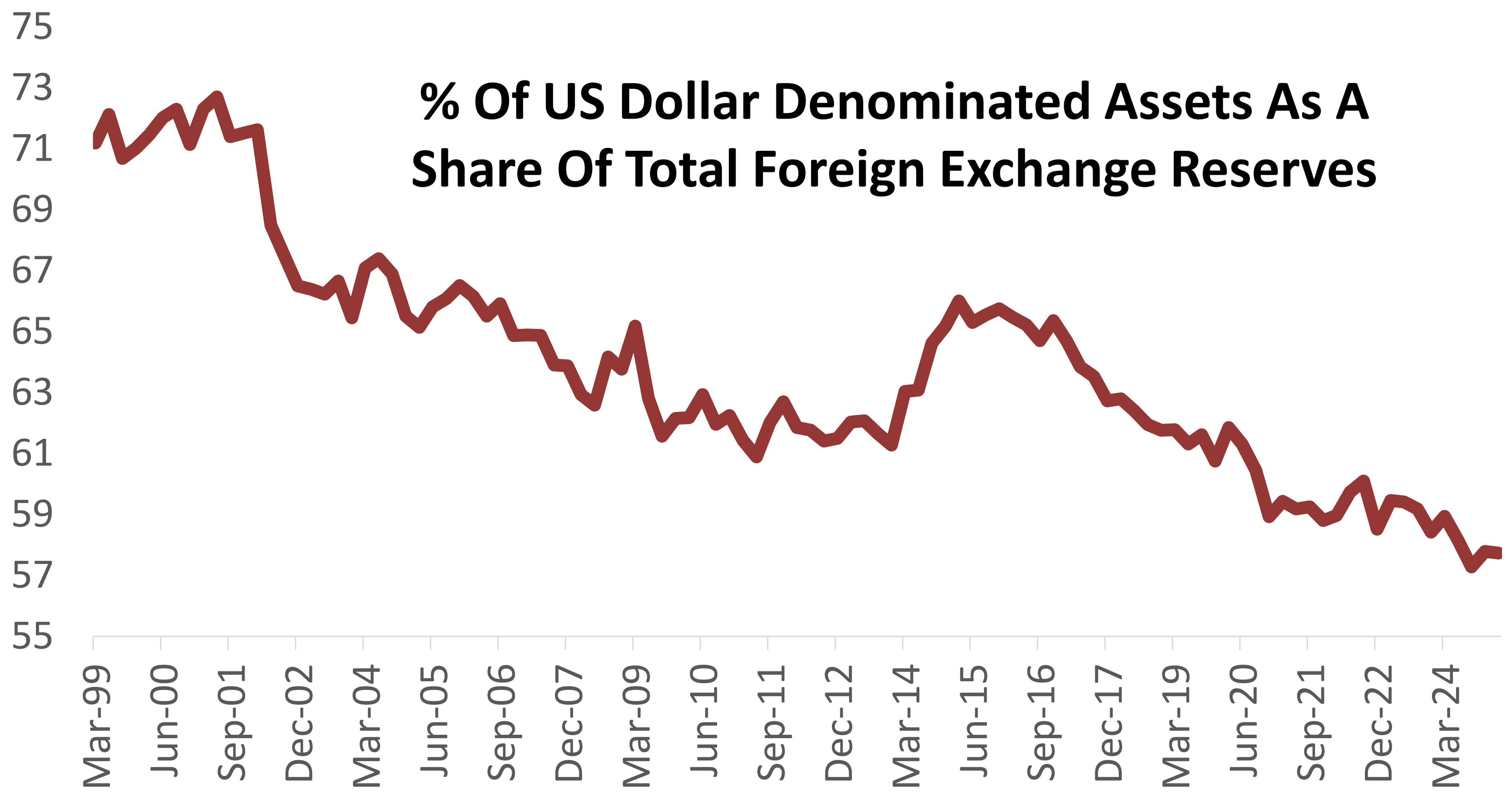
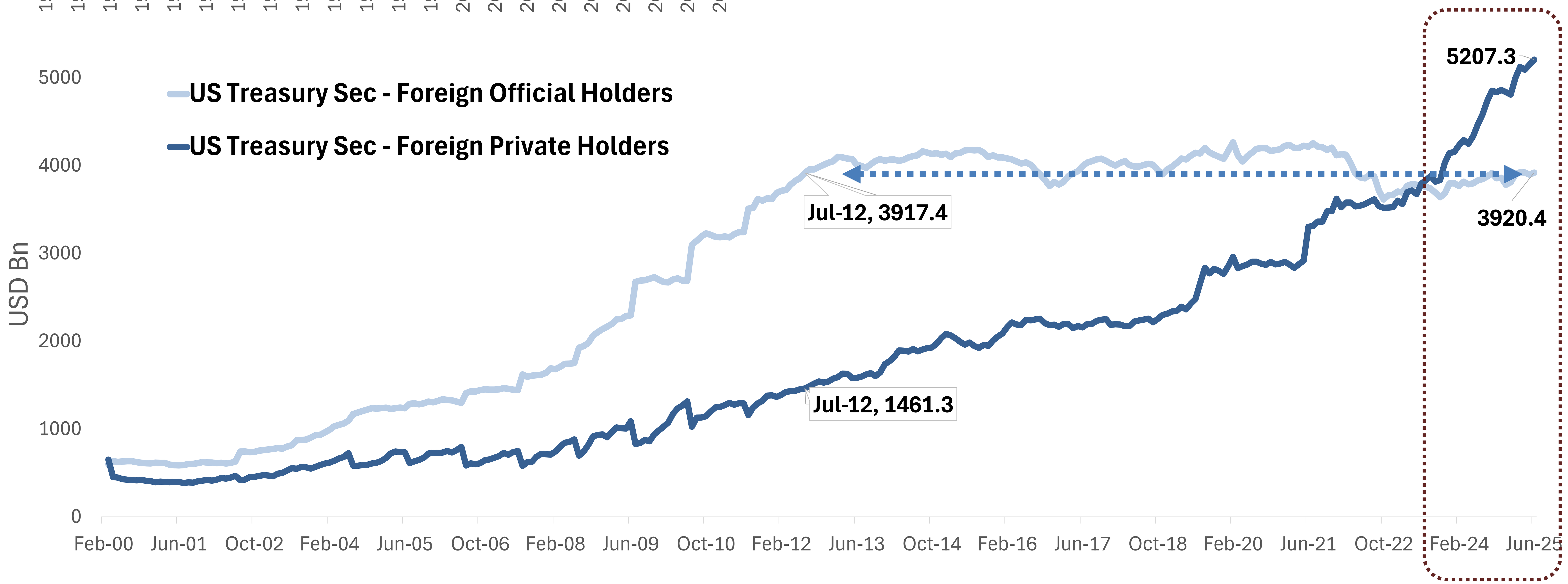
Source: Bloomberg, TICS, DSP. Data as on August 2025. ^ Sum of 6 months up to Jun '25

The Dollar Still Finds Its Buyers







There's no shortage of talk about countries diversifying away from the dollar. And if you look at central banks, that's partly true. Official holdings of US Treasuries have largely plateaued in recent years, suggesting a shift in reserve management strategies.

But that's only half the picture. Private investors have been steadily adding to their US Treasury exposure. Over the past decade, private holdings have surged more than 250%, while official positions have stayed broadly unchanged. This is not the behavior of investors preparing to walk away from the world's deepest bond market.

The concentration story also bears watching. Together, Japan, China and the UK now hold about 30% of Treasuries—down from 38% in 2018. The UK has increased its share, while Japan and China have scaled back. Yet the overall base of foreign demand remains large and diverse.

The takeaway: official reserves may be diversifying, but private capital continues to put its faith in US assets. This money is admittedly more mobile than that in the vaults of central banks, but for now it's still flowing into Treasuries in size. For all the chatter about the dollar's decline, foreign investors don't seem to be following that script.

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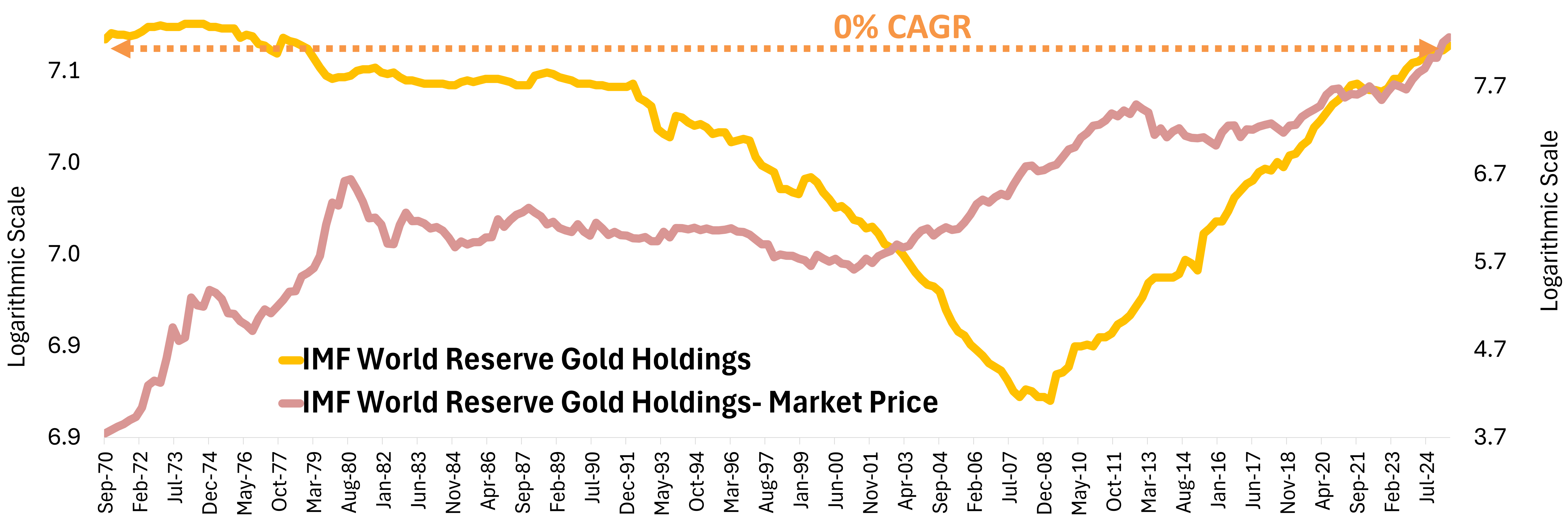
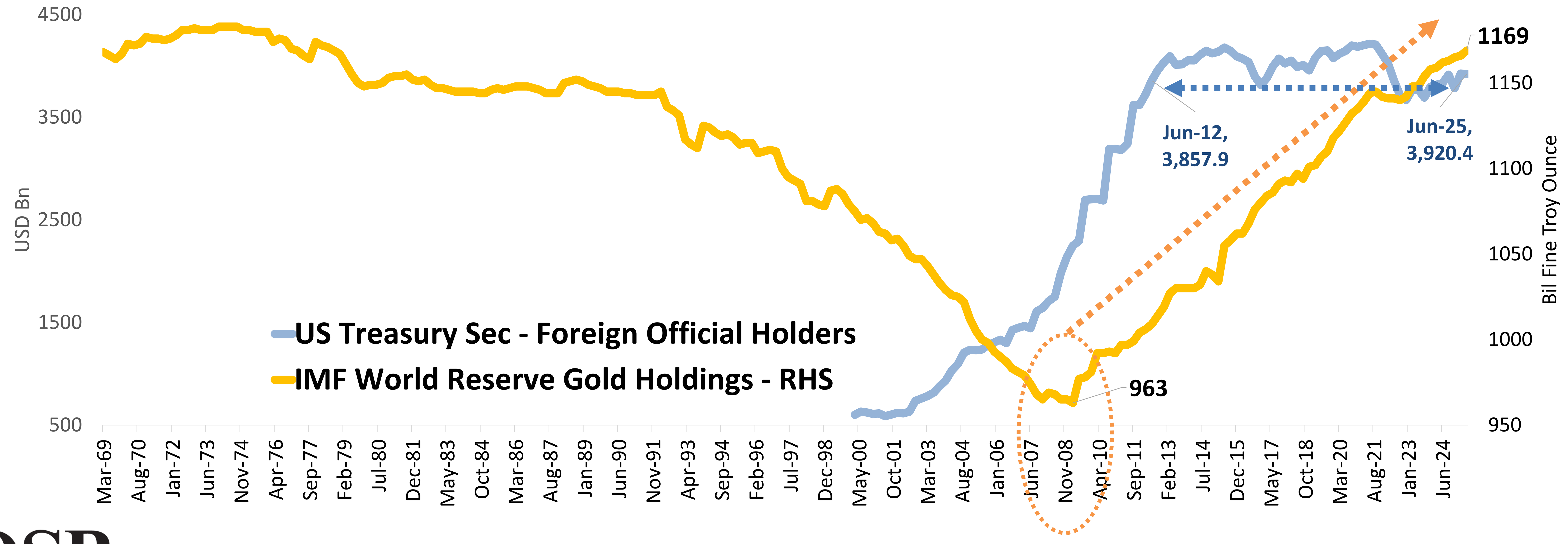
Source: Bloomberg, DSP. Data as on August 2025.

Gold In Reserves: Then And Now





After decades of decline following the end of the gold standard, actual holdings turned up again post the 2008 global financial crisis.

Measured at market prices, world gold reserves have climbed consistently since then. But in terms of physical ounces, the picture is less dramatic.

Between 1970 and 2025, the CAGR of global gold holdings in value terms was about 9%. Strip out the price effect, and actual holdings grew at essentially 0%. By contrast, total world reserves excluding gold expanded at roughly 10% a year over the same period.

This difference matters.

Hypothetically, back in 1970, central banks might have held 8 ounces of gold against a $100 balance sheet. Today, they are again approaching 8 ounces — but against a $1000 balance sheet.

Actual Numbers – gold's share of reserves has fallen sharply: from around 3% then, to barely 0.012% now.

What's notable is that official holdings of US Treasuries – the other key reserve asset – haven't actually declined. They have stayed broadly steady. The incremental build-up in world reserves over recent years has therefore been less about Treasuries being cut back, and more about gold being added at the margin.

The question is whether this shift is just a temporary hedge, or the early signs of gold regaining a bigger role in the global reserve mix.

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Source: Bloomberg, DSP. Data as on August 2025.

Markets Sense The Unseen

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Reading Between The Yields

After a sharp rate cut in a relatively short span, yields haven't followed the decline. Instead, they've moved higher from that point. Global markets seem to be pricing in pressures that haven't yet shown up on the surface.

Region	Time Period	Rate Action	Quantum of action (bps)	Yield Change (bps)
UK	Jul'24-Sep'25	**Cut**	**130**	66.7
USA	Aug'24-Sep'25	**Cut**	**100**	24.7
Japan	Mar'24-Sep'25	**Hike**	**60**	87.8
Euro	May'24-Sep'25	**Cut**	**250**	18.9

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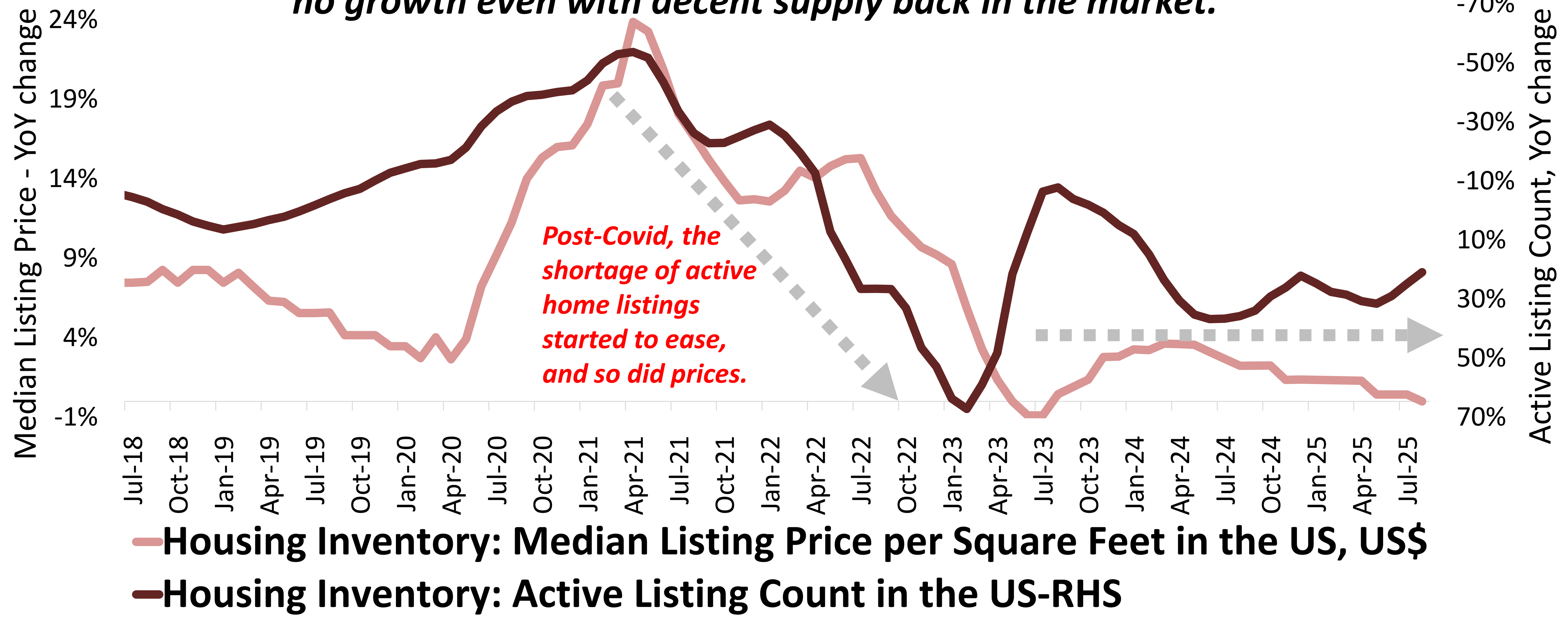
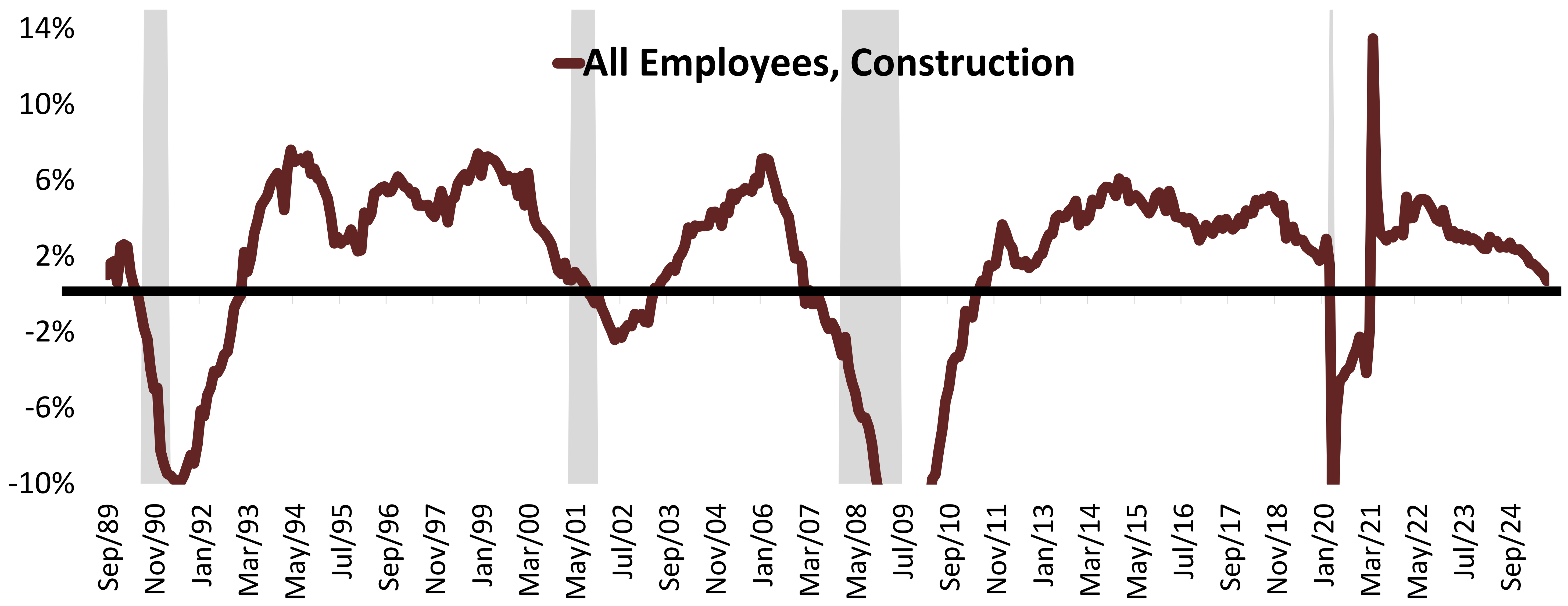
Source: Bloomberg, DSP. Data as on 16th September, 2025

Housing Feels Heavy Again

Despite a brief supply crunch, median home prices barely moved – and now show almost no growth even with decent supply back in the market.



Lesser people employed towards construction of new housing units



A clear decline in US housing units could be signaling a slowdown – if history is any guide.

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Source: Fred, DSP. Data as of September, 2025

India’s Appeal Looks More Measured

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All That Lending, Where's the Growth?

	CAGR				CAGR	
Segment Loan Growth	FY14-FY20	FY20-FY25	*How Well Has The Loan Growth Established Into Demand Growth*	Segment Demand Growth	FY14-FY20	FY20-FY25
Industry Loans	2.7%	6.0%	*Manufacturing GVA growth has barely moved even as credit growth has doubled, with loans to medium and small enterprises rising 15% and 30% respectively. The weakness is stark in the unlisted space, where manufacturing has managed only about 6% growth.*	**Manufacturing GVA**	**7.9%**	**9.0%**
Personal Loans (ex housing) Loans	19.4%	20.3%	*Because of the very bleak growth in wages, households have based much of their consumption on leverage. However, the quantum of loans advanced have dwarfed the actual consumption growth.*	**Real PFCE**	6.8%	5.2%
Housing Loans	17%	13%	*Housing sales have picked up post-pandemic, but housing loans haven't. Many deals seem to be cash-driven, without income growth to explain it. Likely, stock market gains are being diverted into real estate. If equities fall sharply, housing, a key growth driver—could face stress. It's a fragile node worth watching.*	**Household GFCF**	8%	14%
Vehicle loans	21.3%	12.9%	*The growth here majorly comes from passenger car sales, and within that too, though UV sales. Two-wheelers have particularly suffered. The growth is concentrated in the premium and the luxury segment of the market in demand, atleast.*	**Vehicle Sales Volume**	2.7%	3.5%
Consumer durables Loans	3.9%	7.8%	*While loan growth has doubled across the 2 periods. This segment has hardly seen any uptick in volume of production, which eventually hinges on lack of demand.*	**IIP: Consumer Durables**	1.2%	1.5%
Services Loans	12%	14%	*The same pattern is visible across discretionary spending. After the post-Covid demand surge, the slowdown has been felt most by the average consumer. This is also the segment where the deepest cuts in consumption tend to occur.*	**Core CPI**	4.7%	4.8%
Priority Sector: Export Credit	-13.4%	-8.6%	*Guidelines allow as much as 80% of Priority sector obligations being extended towards export credit. Actual extension is 1%, which has come down from 3% in FY07-08. Goods exports have advanced by 7%, from a very low base and skewed by a few commodities. India's External trade, even outside the headwinds by tariffs, are stuck in a cycle of mediocrity.*	**Goods Exports**	0.0%	6.9%

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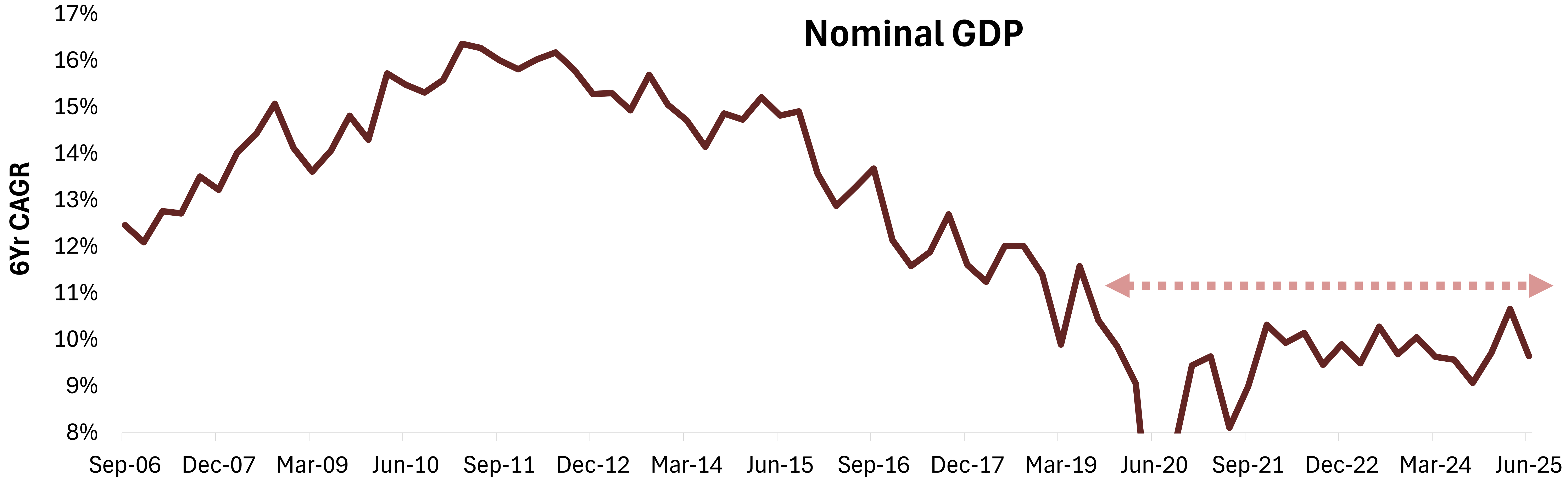
Source: CMIE, DSP. Data as on August 2025.
PFCE- Private Final Consumption Expenditure, GFCF- Gross Fixed Capital Formation, IIP- Index of Industrial Production

Nowhere To Hide In India's Growth Story



		FY05-FY25	FY05-FY15	FY15-FY25
Net Inflows	**Services**	13%	17%	9%
	Software services	12%	15%	9%
	Transfers: Private	9%	12%	7%
Inflows	**Services**	12%	14%	9%
	Software services	12%	15%	9%
	Transfers: Private	10%	13%	7%

India's latest GDP print may look respectable, but the nominal story is far less flattering. Over the post-Covid years, nominal growth has averaged just 9.6%. Strip out 4–5% inflation, and the underlying volume growth is closer to 6%. Hardly the sort of pace that calls for celebration.

What's more, the weakness isn't confined to one part of the economy. Consumption remains soft despite households taking on more debt. Government spending has provided support, but it can't carry the load indefinitely. Investment, meanwhile, sits at the mercy of corporates. And even with balance sheets in strong shape, companies don't see the environment as compelling enough to commit.

The external side is also losing some shine. Services exports and remittances—longstanding strengths—are showing cracks. Remittance flows are increasingly driven by Indians in tech and finance working in the US, UK, and Singapore. But these very sectors face global headwinds, casting doubt on the durability of those inflows. Oil-linked remittances, by contrast, have grown only slowly as real oil prices have flatlined for two decades.

Put together, if services and remittances lose momentum, India's balance of payments could deteriorate. That, in turn, would weigh on the rupee.

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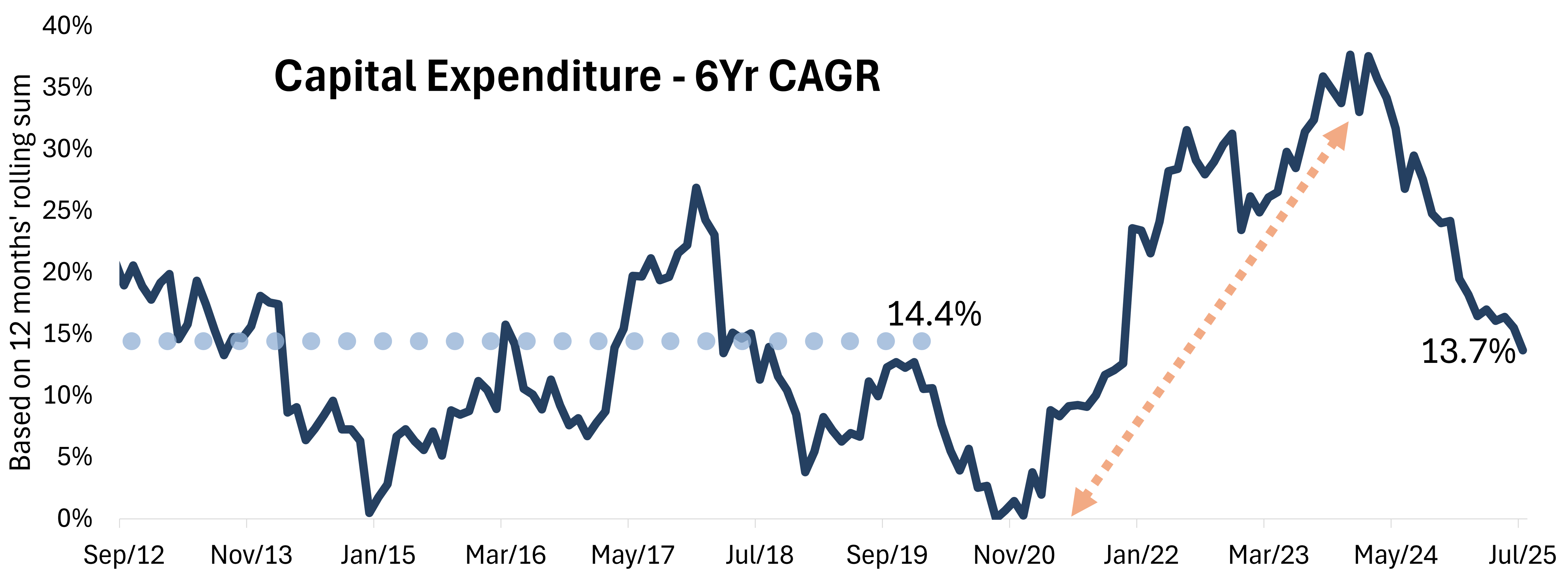
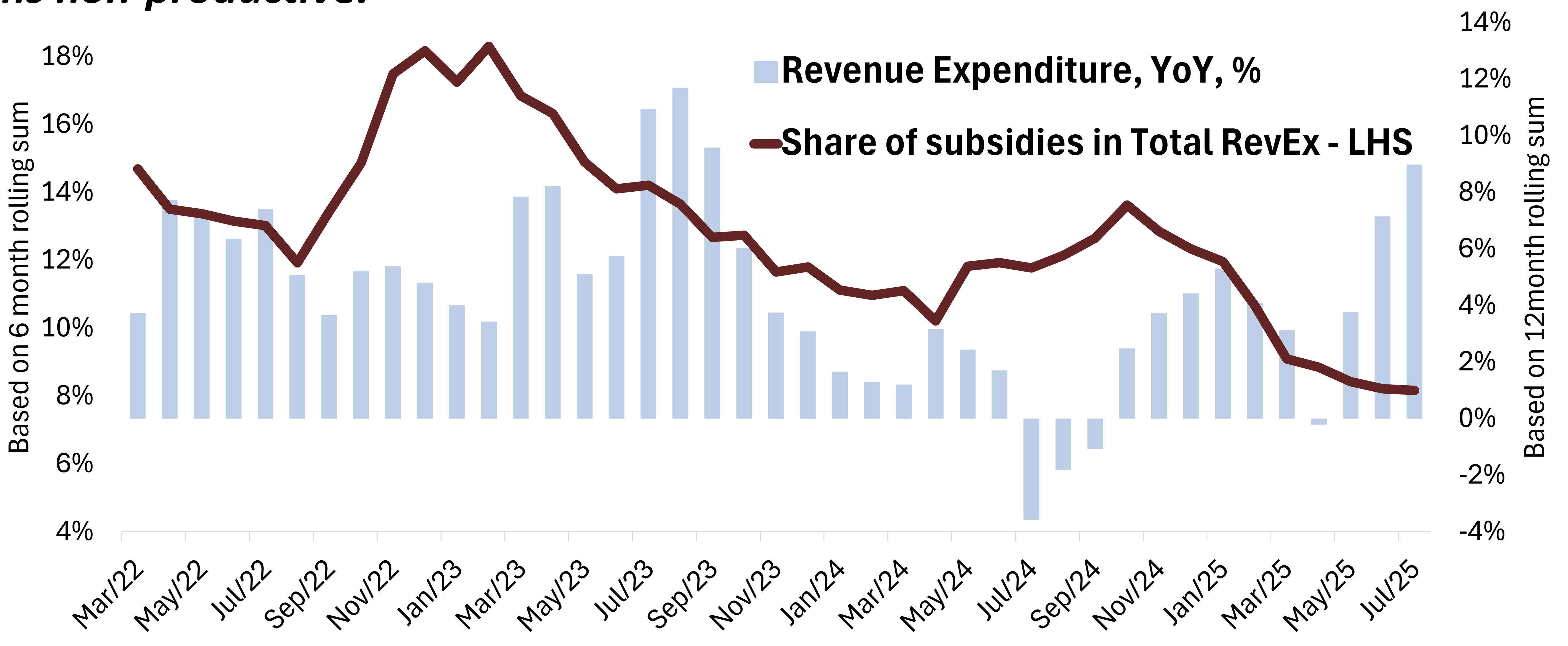
Source: CMIE, DSP. Data as of August 2025.

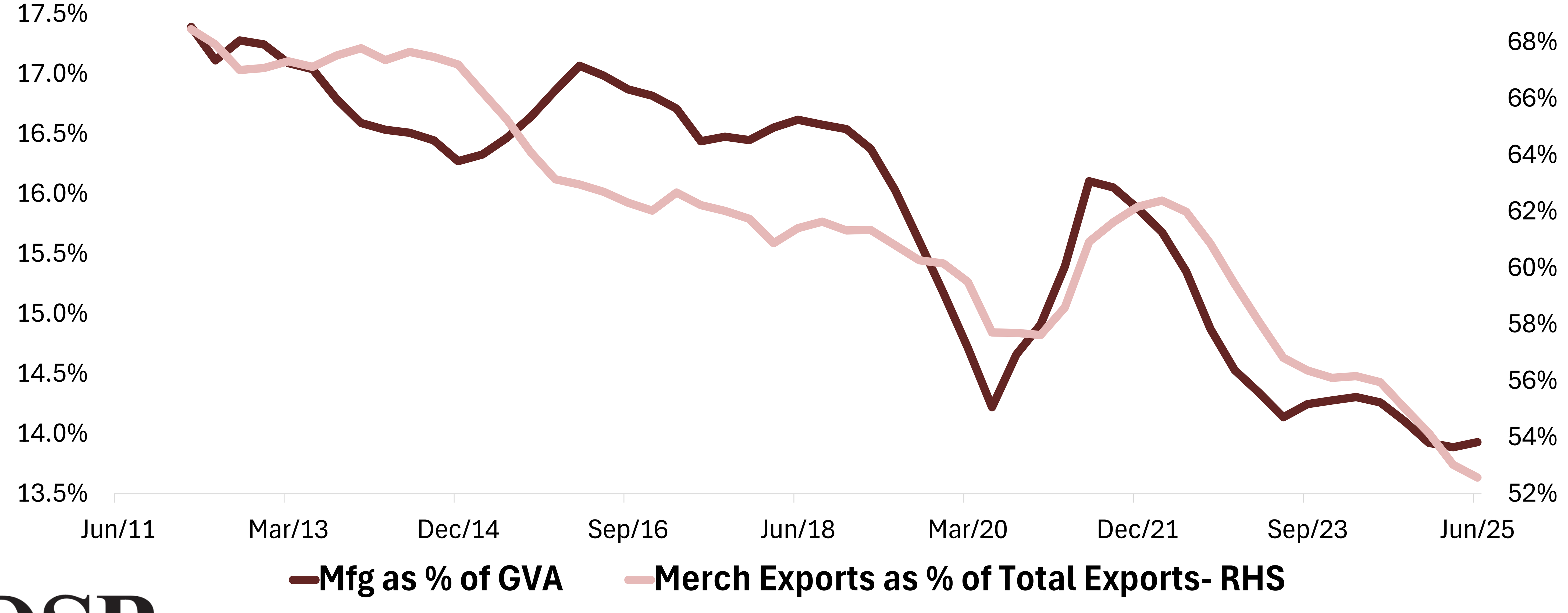
Growth Less Sturdy Than It Appears

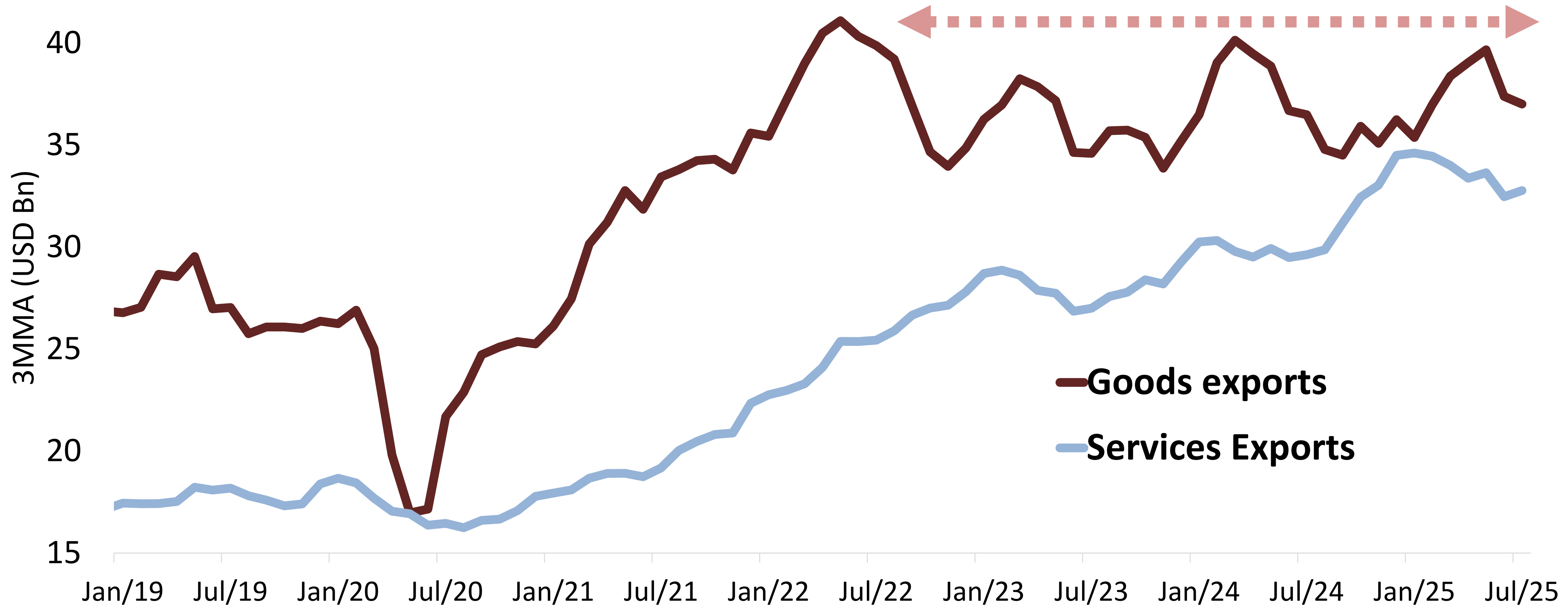
Capex has slipped back to its average pace after the post-Covid surge. Even though government revenue spending is higher, subsidy payments were lower - much of the additional spending seems non-productive.





The steady export trend has largely been driven by services, while merchandise exports have barely held up.





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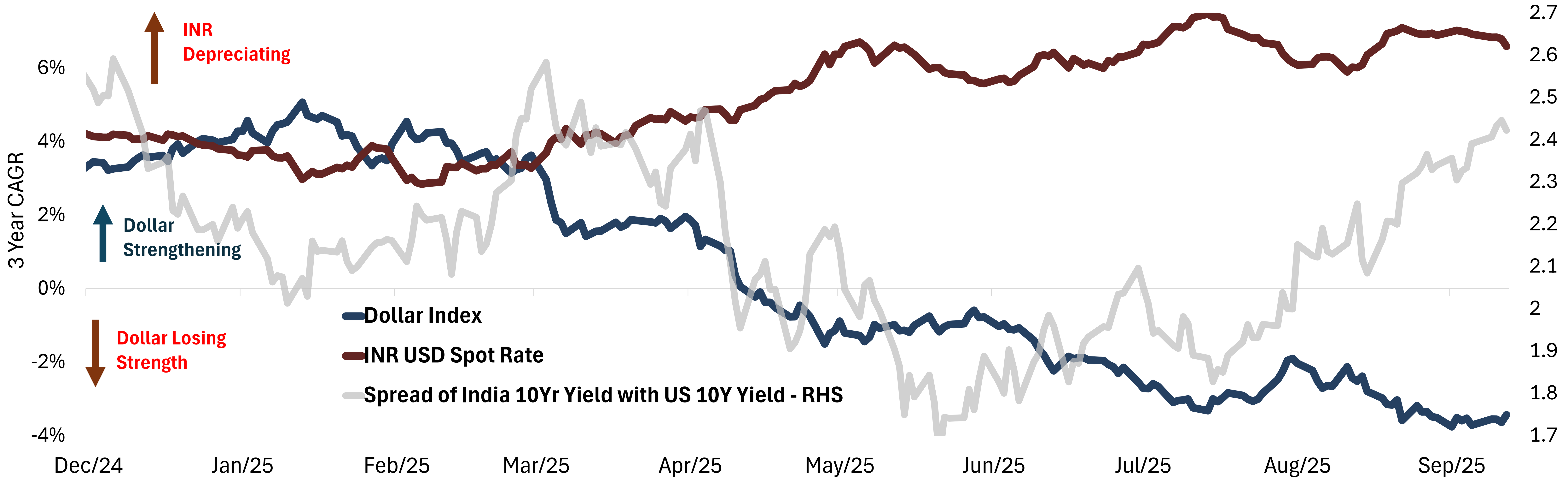
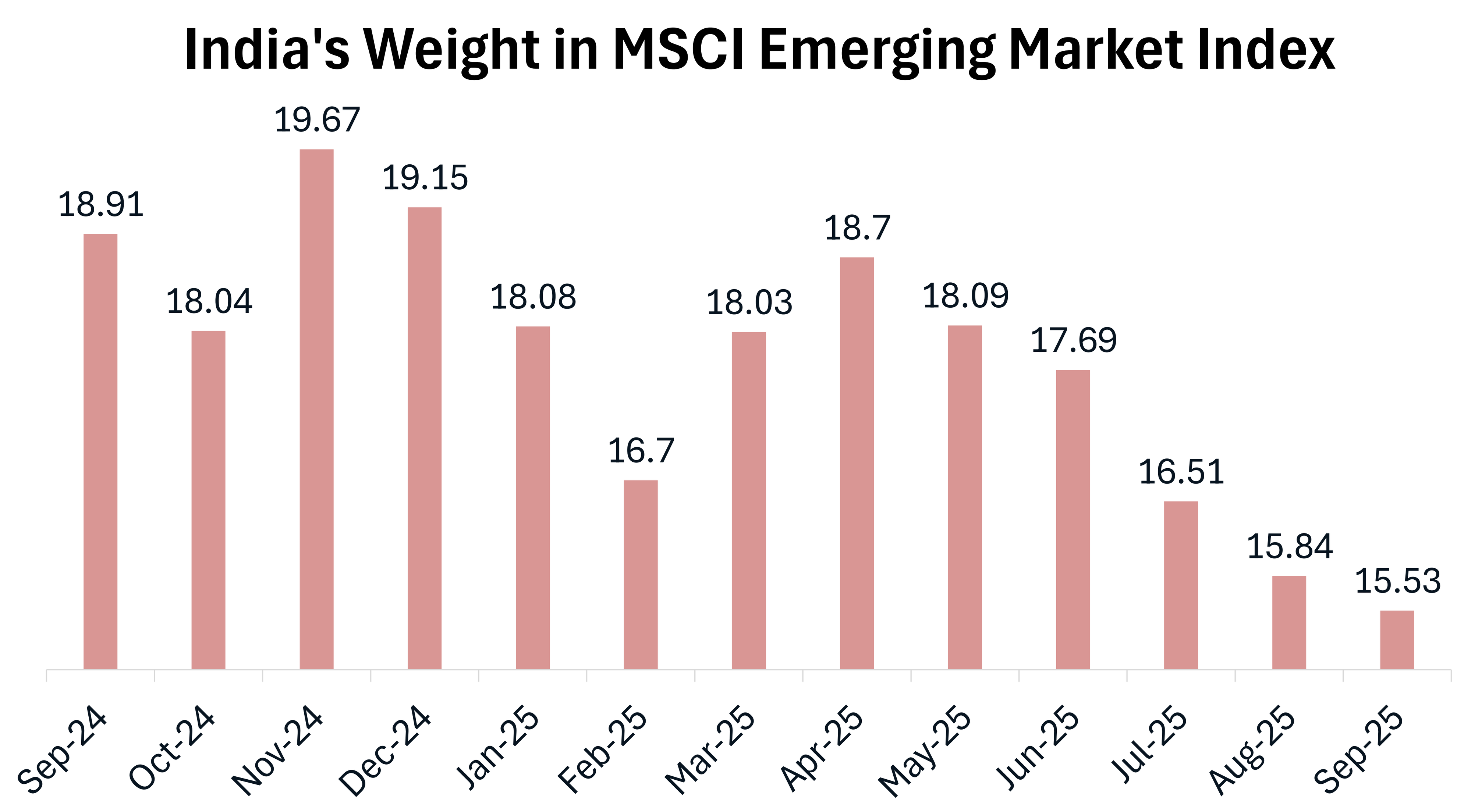
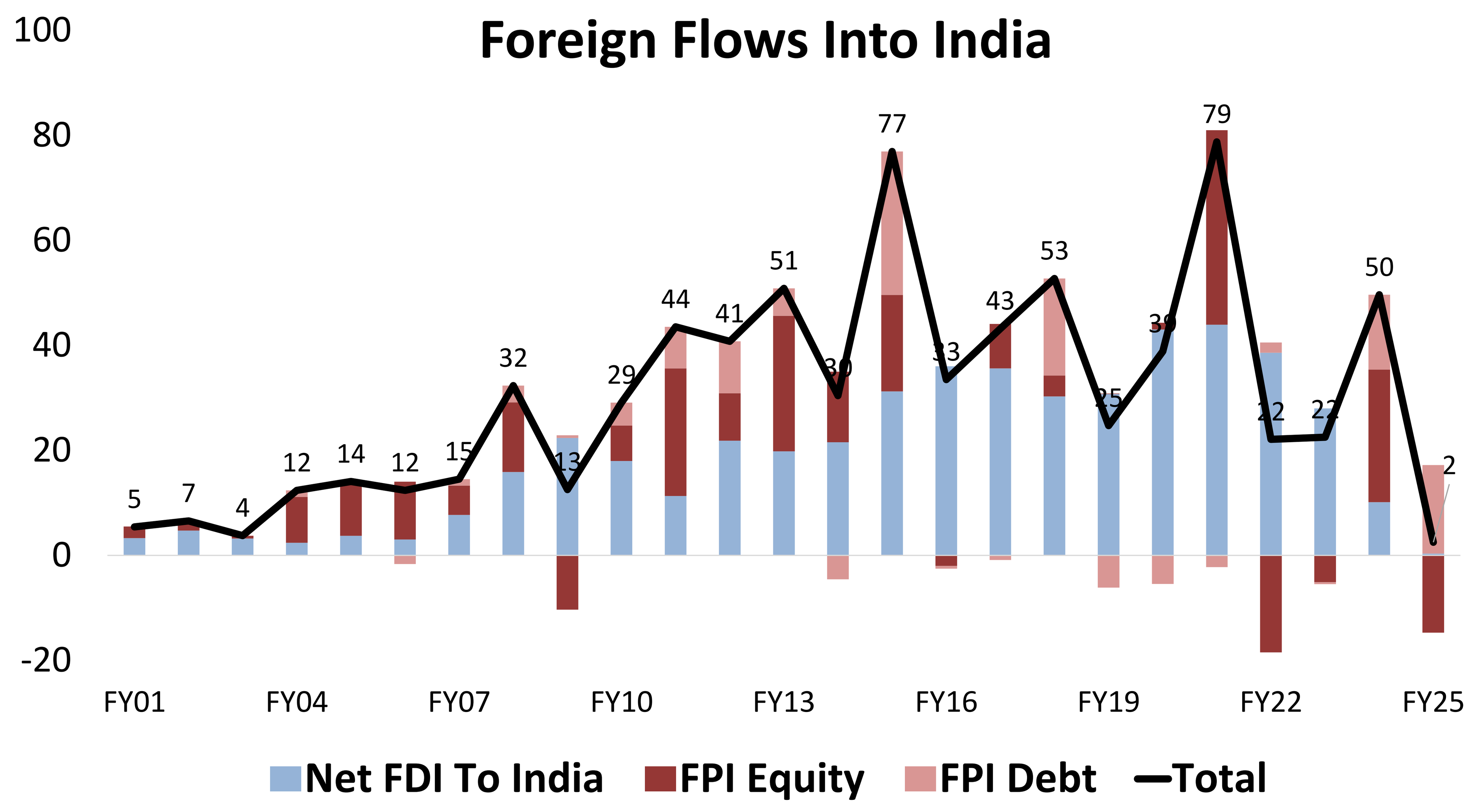
Source: CMIE, DSP. Data as of August 2025.

What We Think Is The Reason Might Just Be A Consequence

Foreign Money Keeping Its Distance – Not Without Reason Though







The rupee has slipped to a record low – and what makes this move more concerning is that it comes at a time when the dollar itself isn't particularly strong. In fact, the rupee has been losing ground even as the dollar index has drifted lower. This, despite heavy RBI intervention, suggests the currency may be weaker than the headline level already shows.

Foreign investors aren't exactly rushing to India either, and if not that - they are clearly not as gung-ho. And this shift in sentiment comes at a delicate moment – India's equity markets are already priced for perfection, and tariff risks linger in the background.

The question now is not just why the rupee is under pressure, but what can work for India from here. **With valuations stretched and external flows more hesitant, the room for policy and corporate India to deliver real growth drivers is shrinking.**

Source: Fred, DSP. Data as of 16th September 2025

Sectors

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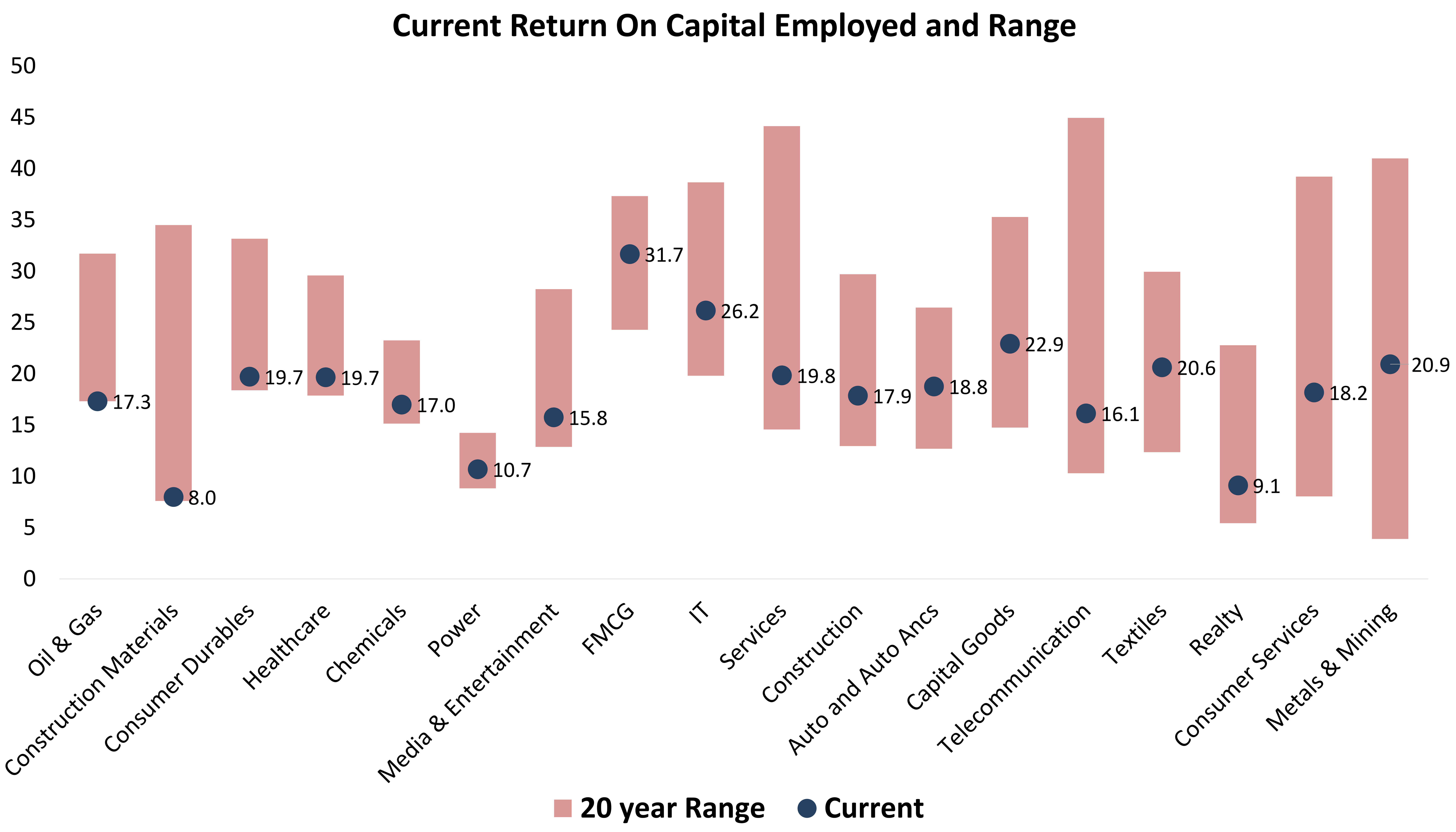
Is The Capital Being Efficiently Deployed?



Return on Capital Employed (ROCE) reflects the profitability of a business relative to the total capital deployed, including both equity and debt. In other words, it measures how efficiently a company is generating returns on the overall capital it employs. Currently, ROCE across most sectors is trending close to its 20-year lows.

What makes this concerning is that some cyclical sectors such as Construction & Construction Materials, Consumer Durables, Realty, etc. which were the key drivers of the Post-Covid rally are all currently operating close to their 20-year lows, yet many of these companies are still trading at premiums to their long-term valuation averages.

A declining ROCE in these sectors signals that profitability is under pressure. However, with topline growth slowing and margins already near their peak, sustaining returns may prove difficult. This challenge is further compounded by elevated valuations, making the path ahead more demanding for these businesses.

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Source: Capitaline, DSP. Data as on Aug 2025. ROCE is Industry Average.

Where Are We In The LARGEST Cap?

70% of the portfolio is available at or below Average valuations					
Nifty Top 10 Equal Weight Index	**Valuation Metric**	**TTM PE Ratio**	**10 Year Avg PE**	**Post GFC Avg PE**	**Valuations**
Infosys	P/E Ratio	23.0	23.3	22.1	Buyback, At Average
ITC	P/E Ratio	26.0	26.2	28.3	At Average
Reliance Industries	P/E Ratio	25.3	23.1	20.3	Above Average
TCS	P/E Ratio	22.9	26.9	25.3	Buyback, below Average
Axis Bank	P/B Ratio	1.8	2.2	2.4	Cheaper vs Own History
HDFC Bank	P/B Ratio	2.9	3.8	4.1	Cheaper vs Own History
ICICI Bank	P/B Ratio	3.2	2.5	2.3	Above Average
Kotak Mah. Bank	P/B Ratio	2.5	4.0	3.8	Cheaper vs Own History
Bharti Airtel	EV/EBITDA	12.0	13.2	11.3	At Average
Larsen & Toubro	EV/EBITDA	15.4	14.2	14.1	Above Average

**Green highlight is where the current valuation is at or below the 10-year average*

80% of the portfolio is available at or above average ROE				
Nifty Top 10 Equal Weight Index	**Current ROE***	**10 Year Avg ROE**	**Post GFC Avg ROE**	**Return On Equity (ROE)**
Infosys	33%	29%	29%	Higher than Average
ITC	27%	25%	28%	At Average
Reliance Industries	9%	10%	11%	Below Average
TCS	53%	41%	41%	Higher than Average
Axis Bank	16%	10%	14%	Higher than Average
HDFC Bank#	14%	17%	18%	Below Average
ICICI Bank	18%	12%	12%	Higher than Average
Kotak Mah. Bank	15%	14%	14%	At Average
Bharti Airtel	22%	9%	11%	Higher than Average
Larsen & Toubro	16%	14%	15%	Higher than Average

**Green highlight is where the current ROE is above the 10-year average*

#The numbers are not comparable due to the Merger impact of HDFC and HDFC Bank

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Source: Capitaline, DSP. Data as on 12th Sep 2025. TTM- Trailing 12 Month, PE – Price to Earnings. GFC- Global Financial Crisis
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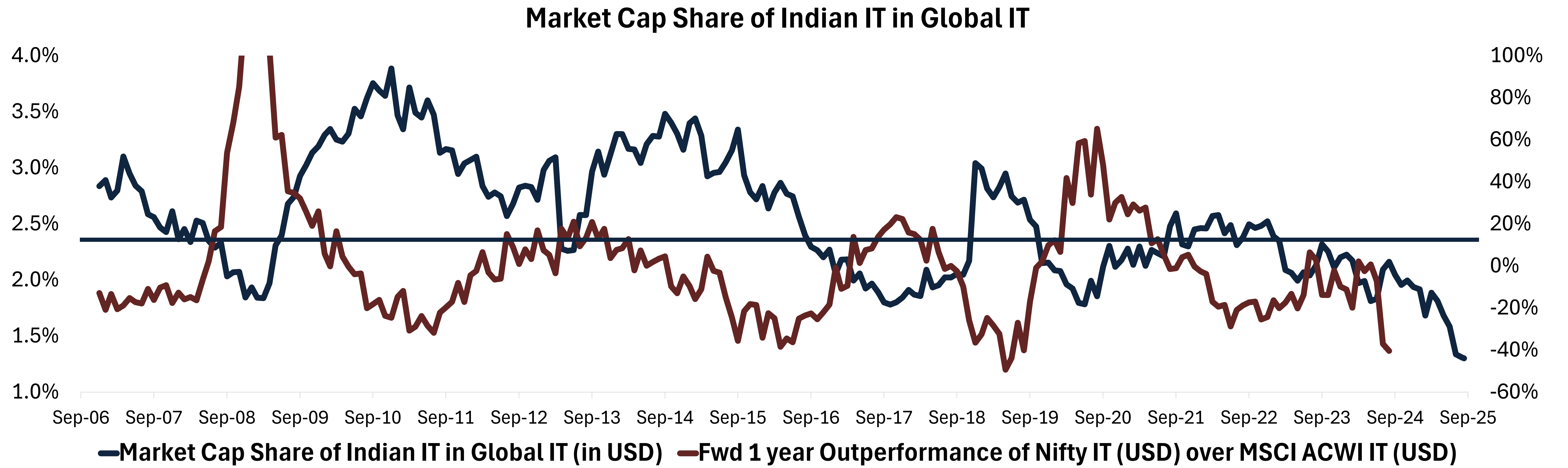
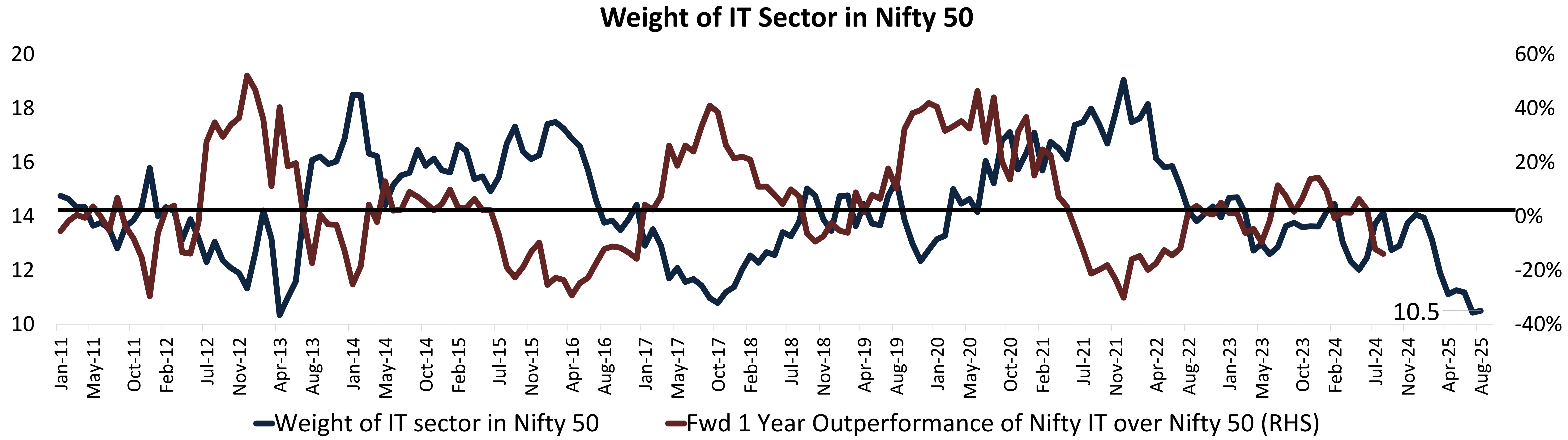
Nifty IT – An Emerging Contra Bet





Over the past three years, Indian IT has materially underperformed its global peers, driving the sector's weight in global IT indices to record lows. While this under-representation does not in itself guarantee an imminent recovery, it underscores the extent to which Indian IT has been overlooked within the broader technology landscape.

Today, the sector finds itself at a critical juncture among the most under-represented segments both domestically and globally. Historically, such phases of neglect have often paved the way for periods of relative outperformance.

The only thing that makes IT a relative play rather than an absolute play, is its valuations. Valuations, though not inexpensive, remain reasonable when viewed against the broader market. However, any further correction can make it an absolute play. More importantly, the sector offers the highest dividend yield among major indices and with its own history (3.1% vs. 1.3% for the Nifty 50), providing investors with a meaningful layer of downside protection.

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Source: Bloomberg, NSE, DSP. Data as on Sep 2025. For Global IT, we have taken MSCI ACWI IT Index

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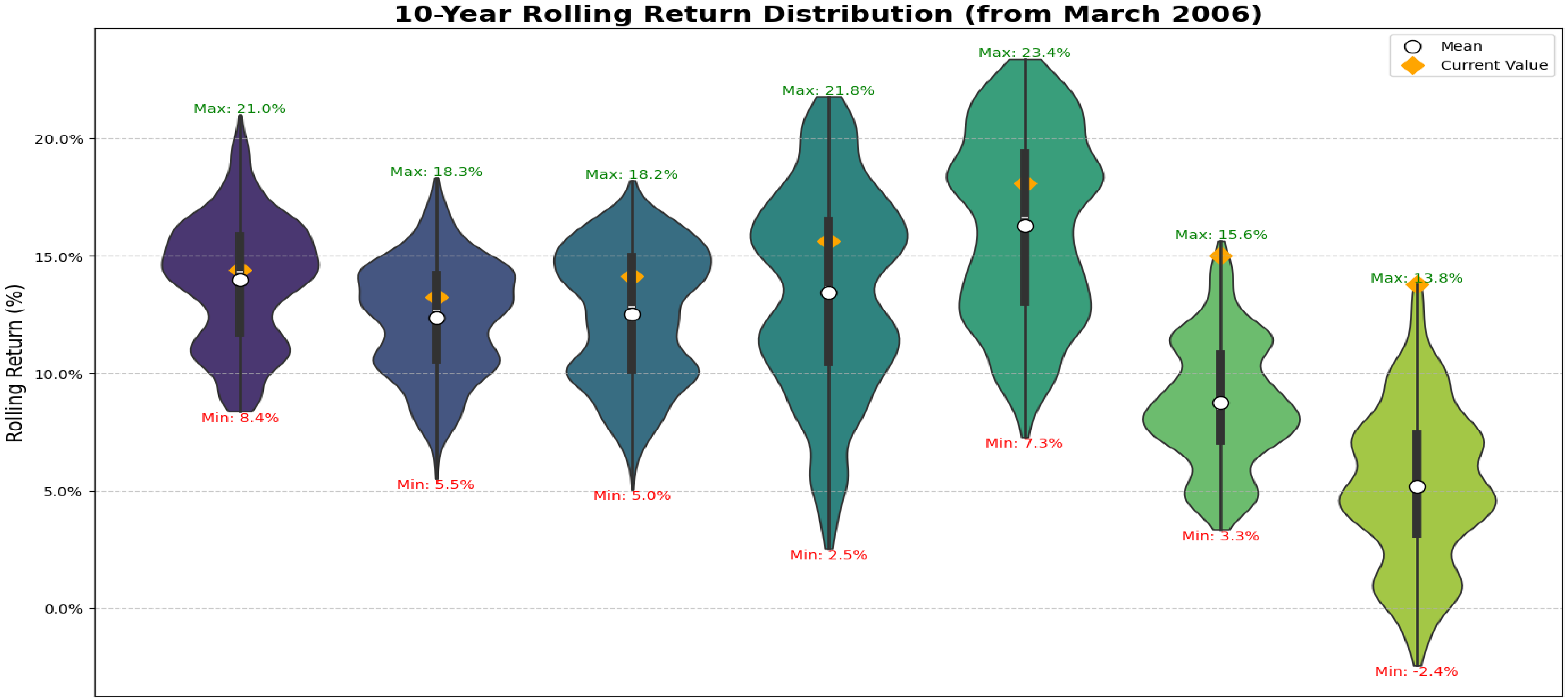
Valuations And Earnings

What Do The Numbers Look Like?

Index	P/E	P/B	Div Yield %	ROE	TTM EPS Growth
Nifty Top 10 Equal Weight Index	20.8	3.53	1.48	17%	19.9%
Nifty 50 Index	22.17	3.37	1.34	15%	8.1%
Nifty 100 Index	22.02	3.41	1.33	15%	7.0%
Nifty Midcap 150 Index	33.71	4.57	0.81	14%	24.2%
Nifty Smallcap 250 Index	33.18	3.67	0.69	11%	-4.8%
Nifty 500 Index	24.44	3.61	1.17	15%	7.7%
Nifty Microcap 250 Index	24.53	3.07	0.74	13%	

As of 16th September 2025, Source: Nifty Indices

Return Dispersion Across Equity And Precious Metals



	Nifty Top 10 Equal Weight Index TRI	Nifty 100 Index TRI	Nifty 500 Index TRI	Nifty Midcap 150 Index TRI	Nifty Smallcap 250 Index TRI	Gold (in INR)	Silver (in INR)
Mean	14.0%	12.4%	12.5%	13.4%	16.3%	8.7%	5.2%
Current	14.4%	13.2%	14.1%	15.6%	18.1%	15.0%	13.8%

The violin plot on the left highlights the **variability in rolling returns** across different indices. The width of each violin represents the frequency of returns, helping to visually compare stable indices like the **Nifty Top 10 Equal Weight** with more volatile indices such as Nifty Midcap 150 TRI and Nifty Smallcap 250 TRI, which tend to have a wider spread of outcomes.

The chart illustrates the **10-year rolling return distribution** across various asset classes. Midcap and smallcap indices show much higher variability, evident from their wider and taller violins, indicating both higher upside potential and greater downside risk. In contrast, the Nifty Top 10 Equal Weight index has a similar mean return but a tighter, more symmetrical distribution, suggesting consistent performance. This reflects the **relative stability of large-cap investments** versus the greater volatility and unpredictability of smaller companies.

DSP

Source: Bloomberg, NSE, DSP. Data as on Aug 2025. Common inception date taken as on 2nd March 2006.

Let’s Sum It Up.

DSP

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:**
  - All assets are cyclical. Gold, a proven store of value and strong performer, is a valuable portfolio addition.
  - We continue to have a positive view on Gold and Silver. With the trade wars now accompanied by geopolitical conflicts the role of Gold as a global reserve currency is only increasing. We see no incentive to change our view or second guess the trajectory. We continue to see these assets as an uncorrelated allocation.

Source: internal, Disclaimer: 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 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 recipient(s), before acting on any information herein, should make his/her/their own assessment and seek appropriate professional advice.
Large caps are defined as top 100 stocks on market capitalization, mid caps as 101-250 small caps as 251 and above

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

DSP

Disclaimer: The above allocation is indicative in nature. Investors should consult their financial advisors if in doubt about whether the scheme is suitable for them.

Conservative Strategy

Portfolio: Conservative

Asset Class	Category	Fund	Allocation
Equity 20%	Index Fund	DSP Nifty Top 10 Equal Weight Index Fund	10%
	Large Cap Fund	DSP Large Cap Fund (Ex DSP Top 100 Equity Fund)	5%
	Sectoral / Thematic	DSP Nifty IT Index Fund	5%
Alternate & Hybrid 25%	Multi Asset Allocation	DSP Multi Asset Allocation Fund	20%
	FoFs- Domestic	DSP Silver ETF Fund of Fund	5%
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%

DSP

*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

Moderate Strategy

Portfolio: Moderate

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

*Ex DP Income Plus Arbitrage FoF

Aggressive Strategy

Portfolio: Aggressive

Asset Class	Category	Fund	Allocation
Equity 60%	Large Cap Fund	DSP Large Cap Fund (Ex 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 25%	FoFs- Domestic	DSP Silver ETF Fund of Fund	5%
	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 Fund of Fund*	10%
Debt 5%	Dynamic Bond	DSP Strategic Bond Fund	5%

DSP

Ex DSP Income Plus Arbitrage FoF
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.

Passive - Moderate Strategy

Portfolio: Passive- Moderate

Asset Class	Category	Fund	Allocation
Equity 55%	Index Fund	DSP Nifty Top 10 Equal Weight Index Fund	35%
	Sectoral / Thematic	DSP Quant Fund*	15%
	Index Fund	DSP Nifty IT Index Fund	5%
Alternate & Hybrid 20%	FoFs- Domestic	DSP Silver ETF Fund of Fund	10%
		DSP Gold ETF Fund of Fund	10%
Debt 25%	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)	10%
	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.

DSP

…And Some Fun Recommendations

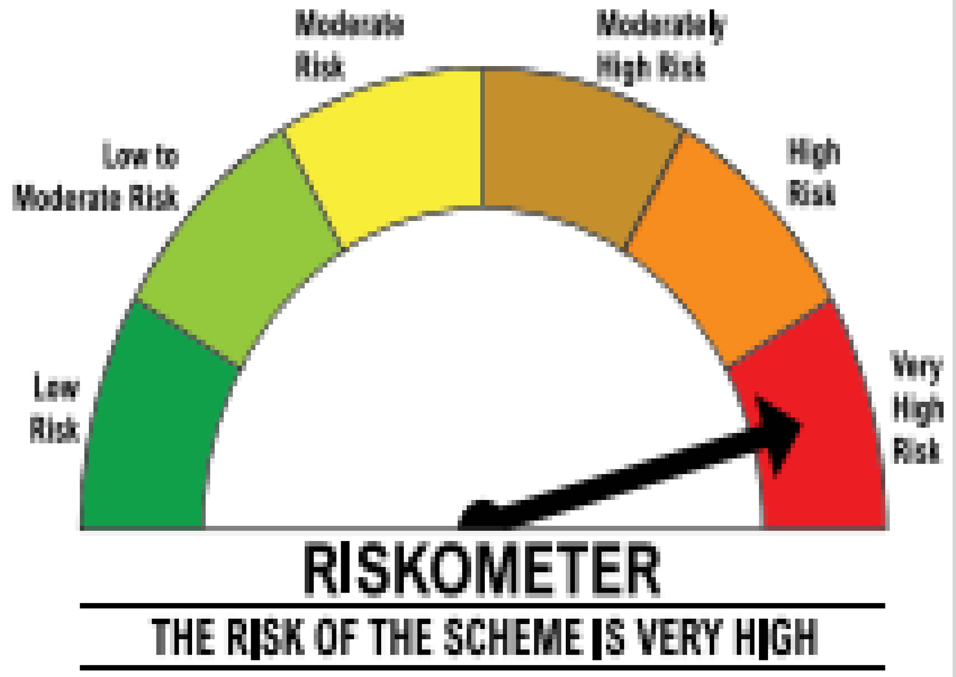
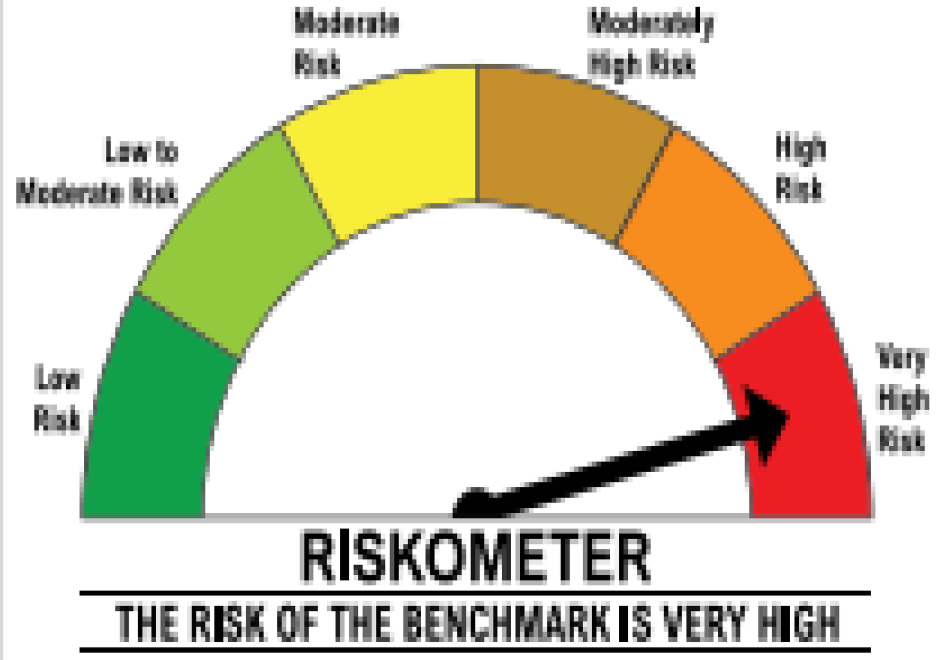
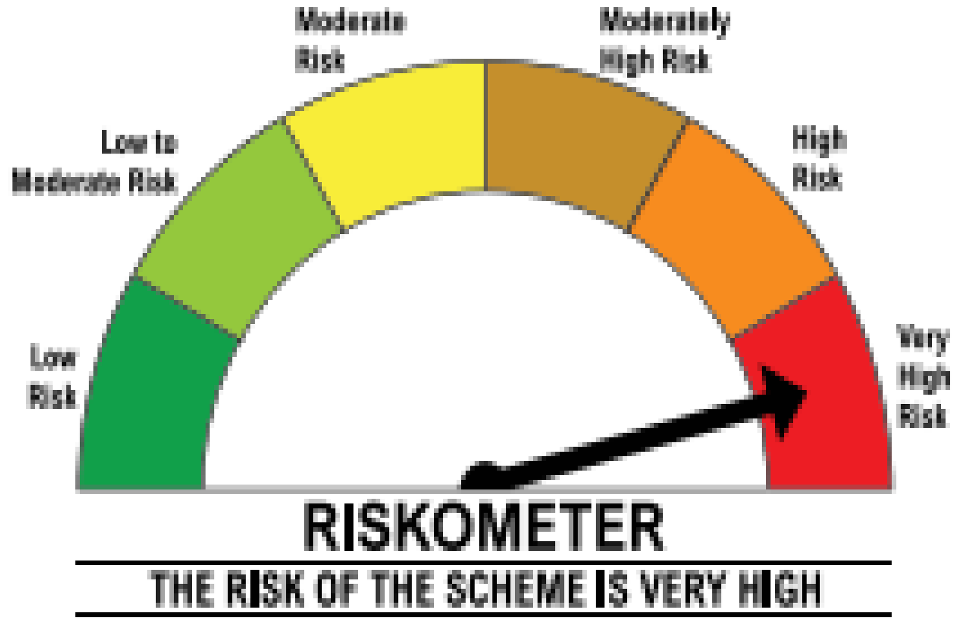
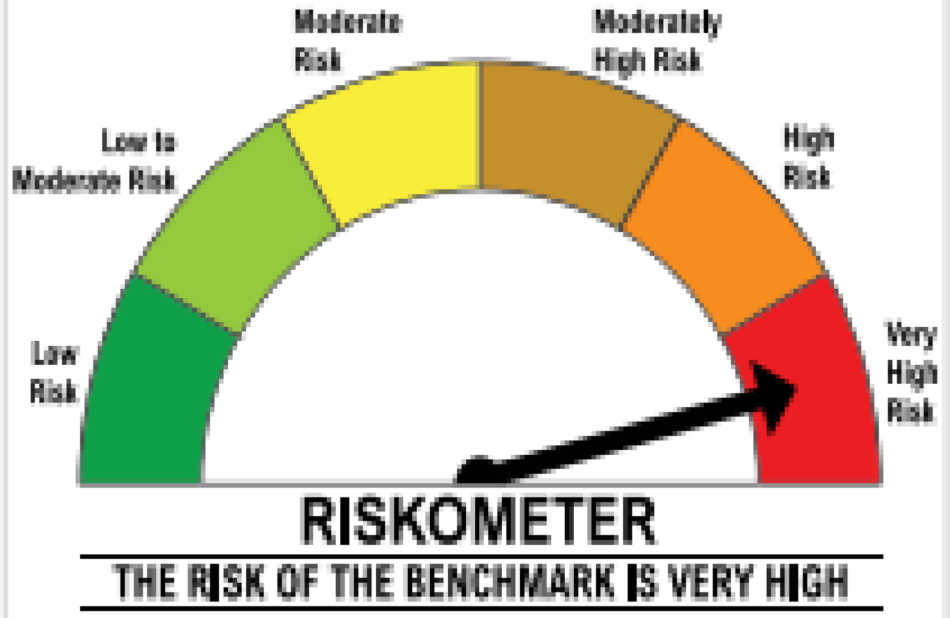
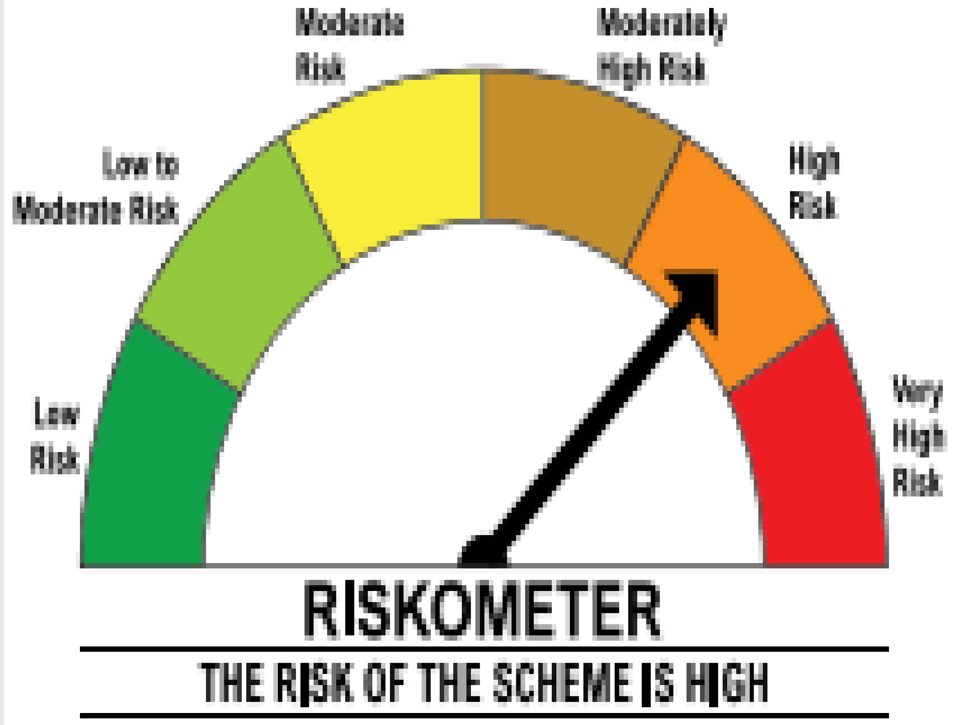
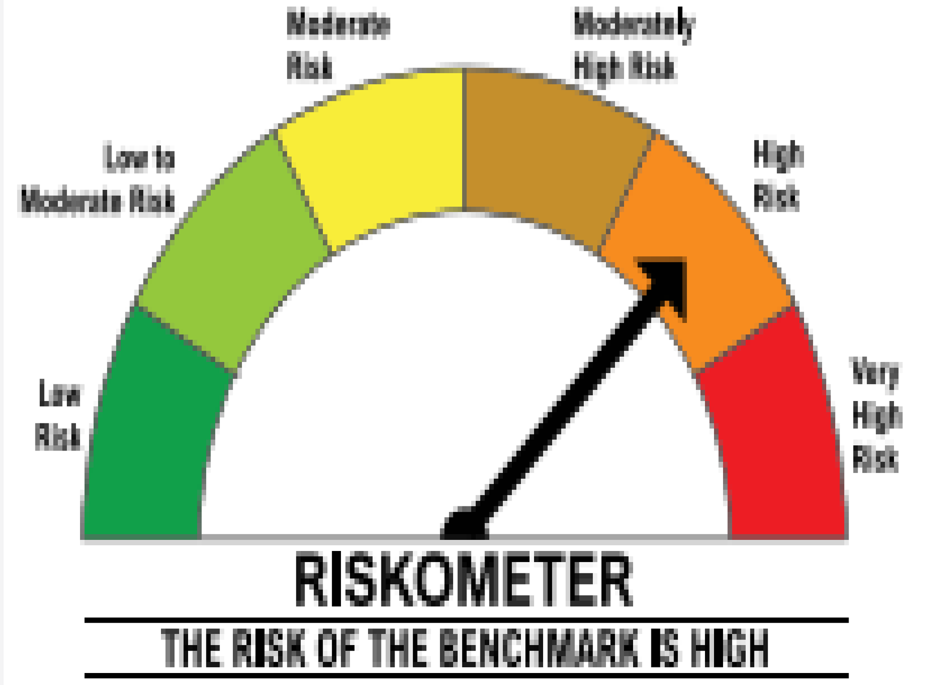
What we liked:

- Book: The Intelligent Investor By Benjamin Graham
- Podcast: Cycles, Contrarian Calls & Philosophy | The Ramneek Kundra Show | Rohit Singhania| DSP Mutual Fund
- Article: Talk of Charles T. Munger On Wealth Effects

Our in-house creations:

- Market Crash = Free Hit? SIP Roko Mat, Mauka Samjho!| Watch here
- I WILL NOT STOP| Watch here
- DSP Blog| Why Investors Can't Think Long-Term| Read here
- DSP Blog | Are You Overpaying for the AI Future? The Market Probably Is| Read here

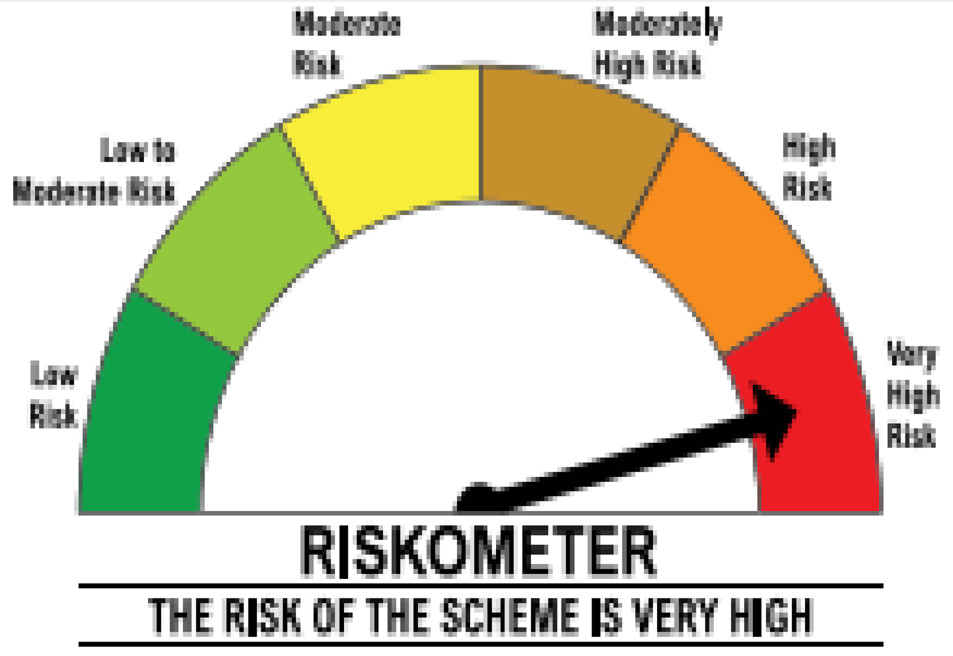
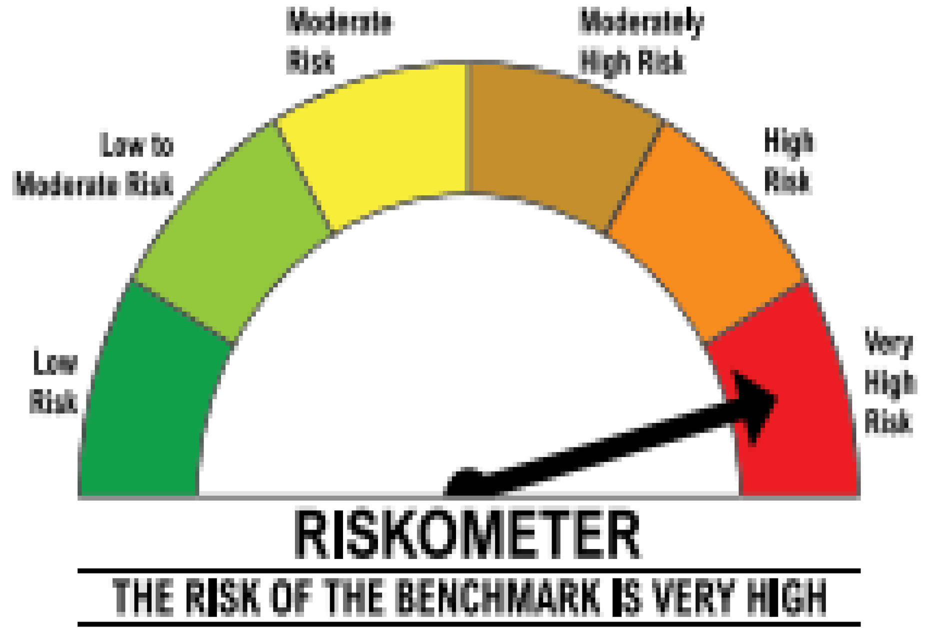
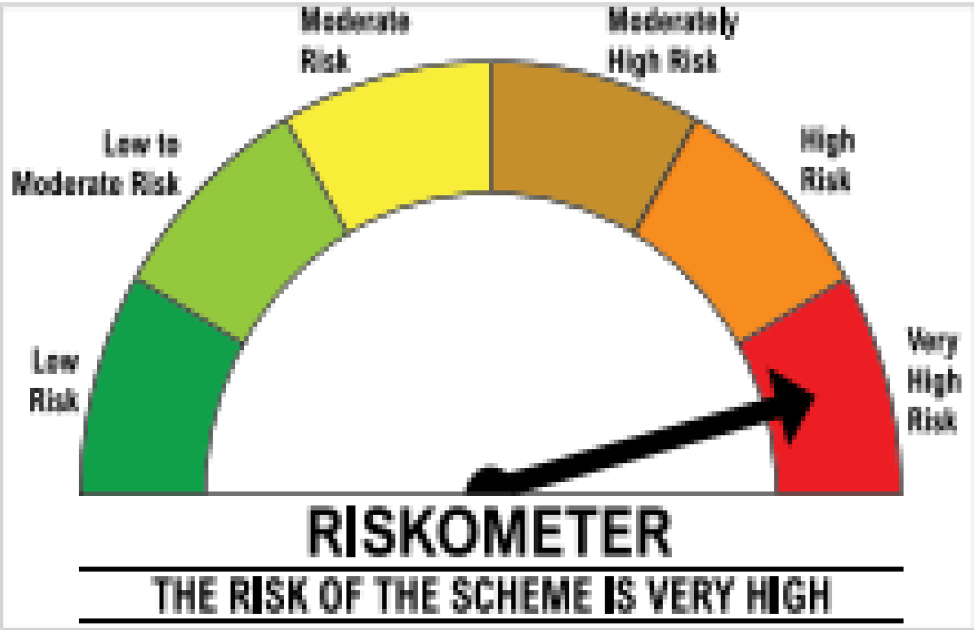
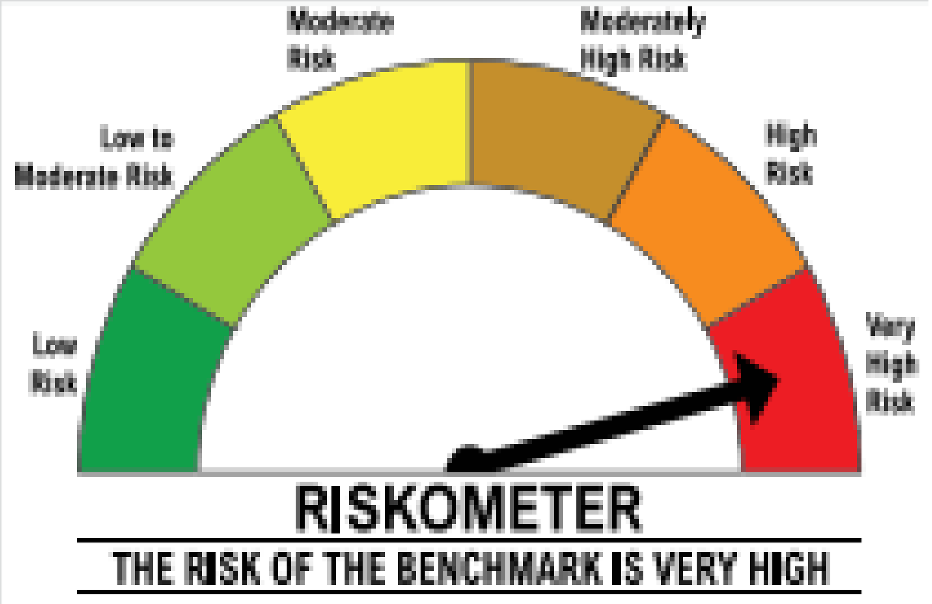
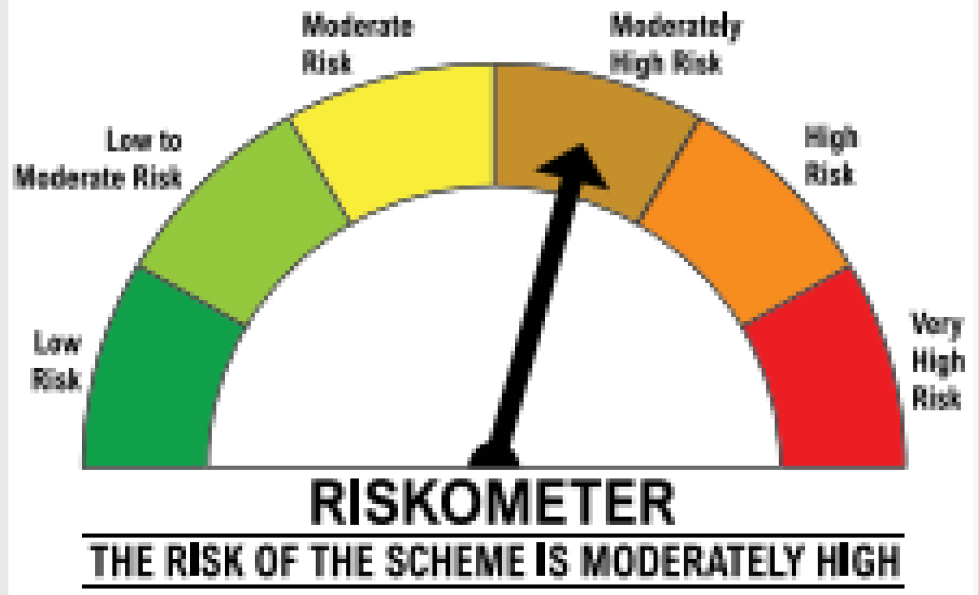
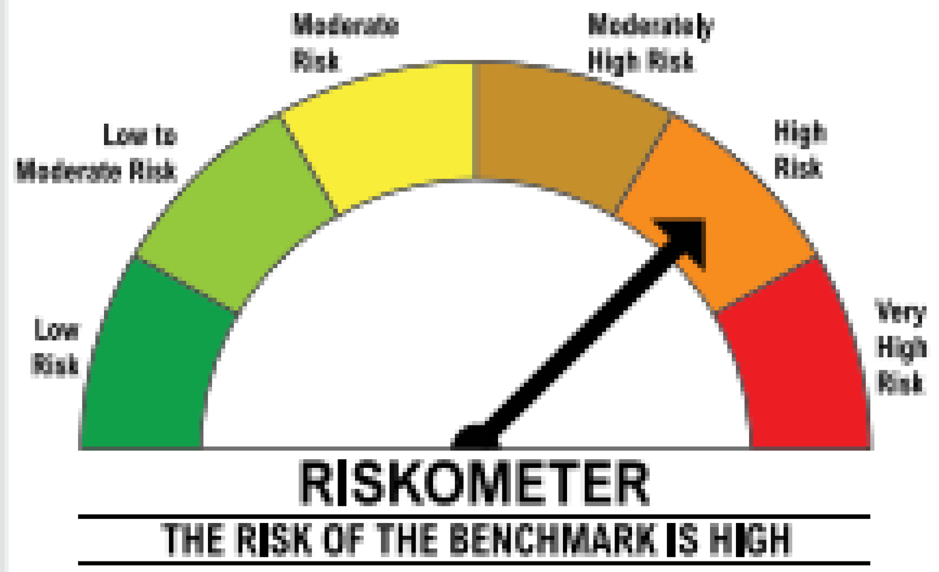
Product Labelling & Riskometer

<table>
<tr><th>Scheme</th><th>Product Suitability</th><th>Riskometer of Scheme</th><th>Name of Benchmark</th><th>Riskometer of Benchmark</th></tr>
<tr><td>DSP Nifty Top 10 Equal Weight Index Fund
An open ended scheme replicating/ tracking Nifty Top 10 Equal Weight Index.</td><td>This product is suitable for investor who are seeking*
• Long-term capital growth
• Investment in equity and equity related securities covered by Nifty Top 10 Equal Weight Index, subject to tracking error.</td><td>
</td><td>Nifty Top 10 Equal Weight TRI</td><td>
</td></tr>
<tr><td>DSP Value Fund
An open ended equity scheme following a value investment strategy</td><td>This product is suitable for investors investors who are seeking*
• to generate long-term capital appreciation / income in the long term
• investment primarily in undervalued stocks</td><td>
</td><td>Nifty 500 TRI</td><td>
</td></tr>
<tr><td>DSP Gold ETF Fund of Fund
An open ended fund of fund scheme investing in DSP Gold ETF</td><td>This Product is suitable for investors who are seeking*
• Long-term capital growth
• Investments in units of DSP Gold ETF which in turn invest in Physical Gold</td><td>
</td><td>Domestic Price of Physical Gold (based on London Bullion Market Association (LBMA) gold daily spot fixing price)</td><td>
</td></tr>
</table>

DSP

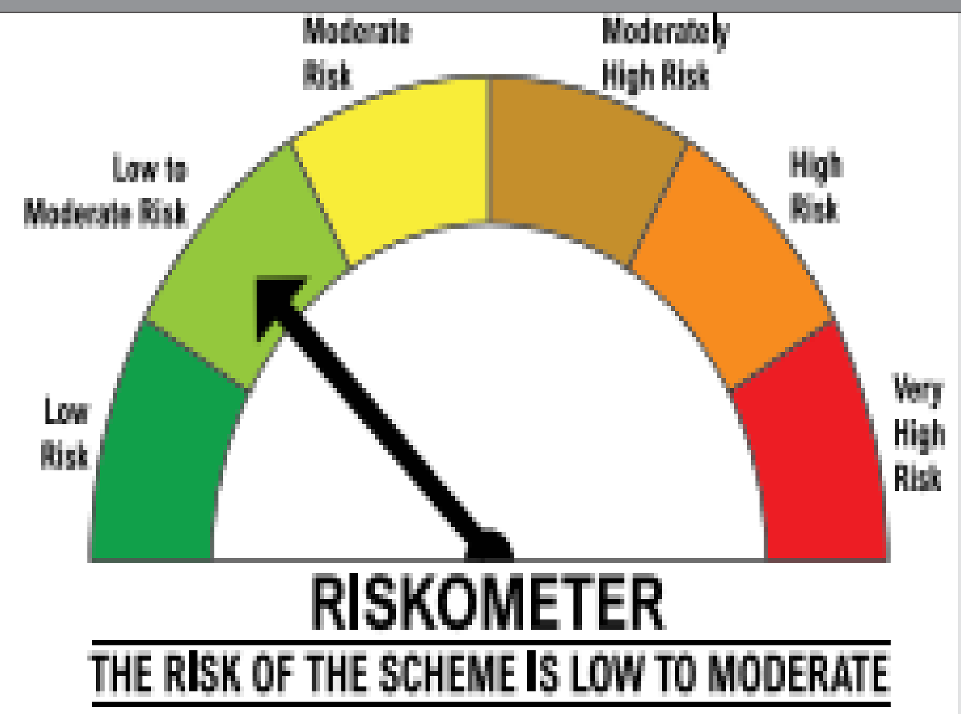
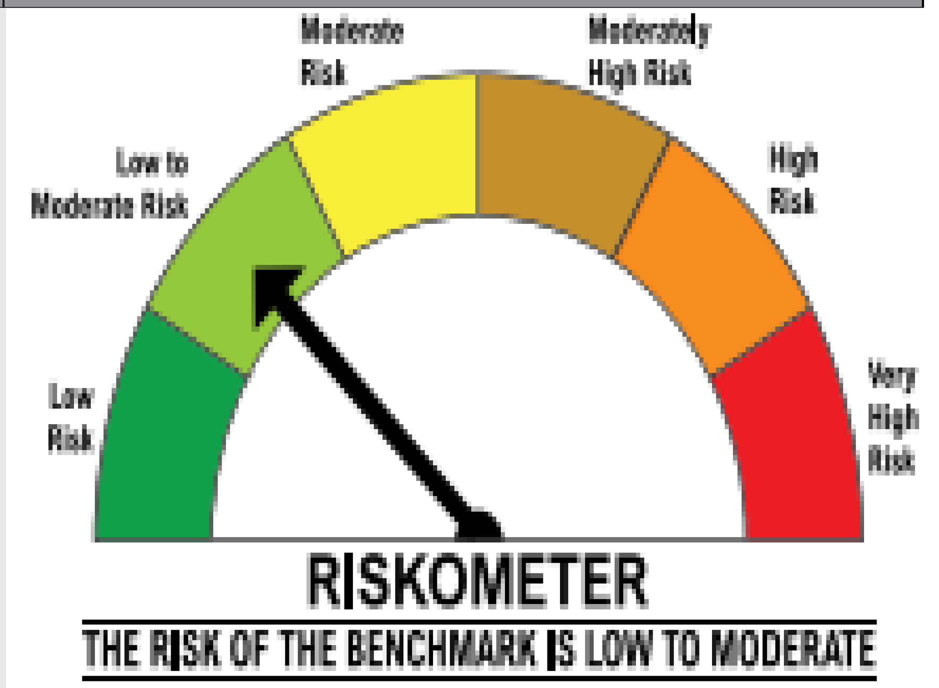
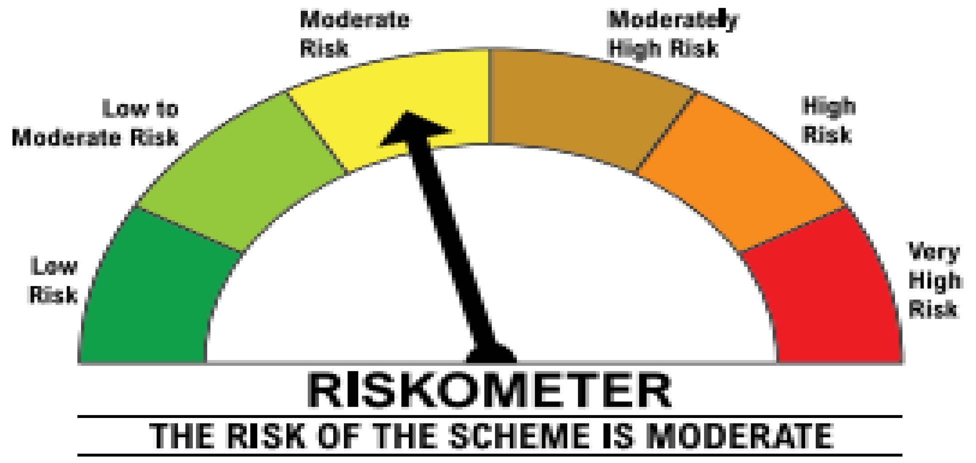
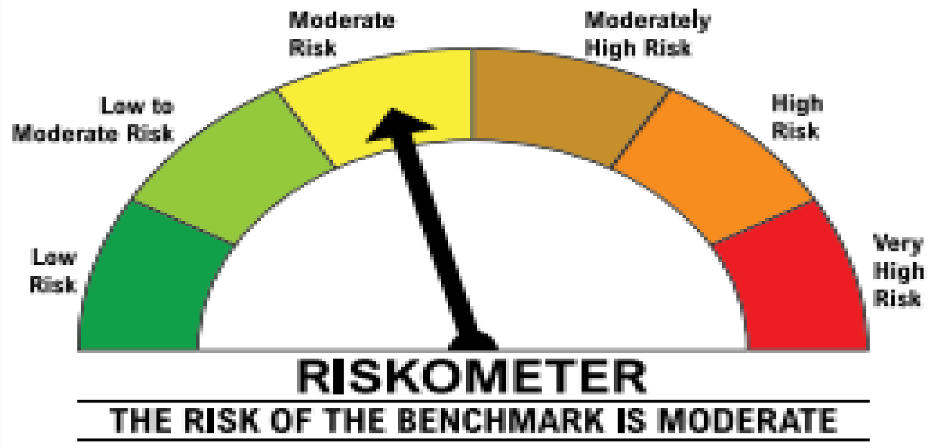
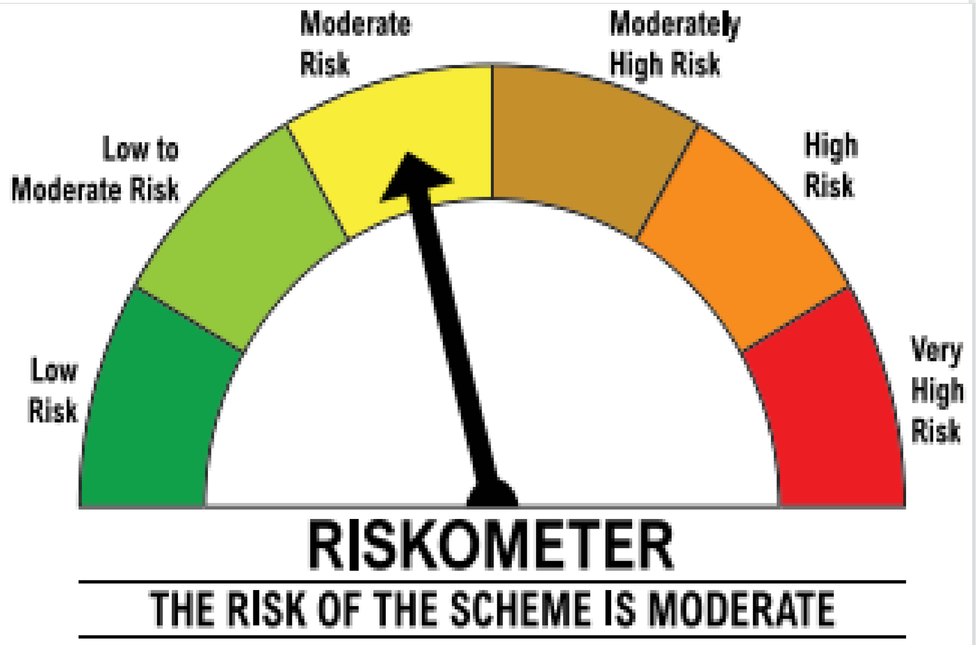
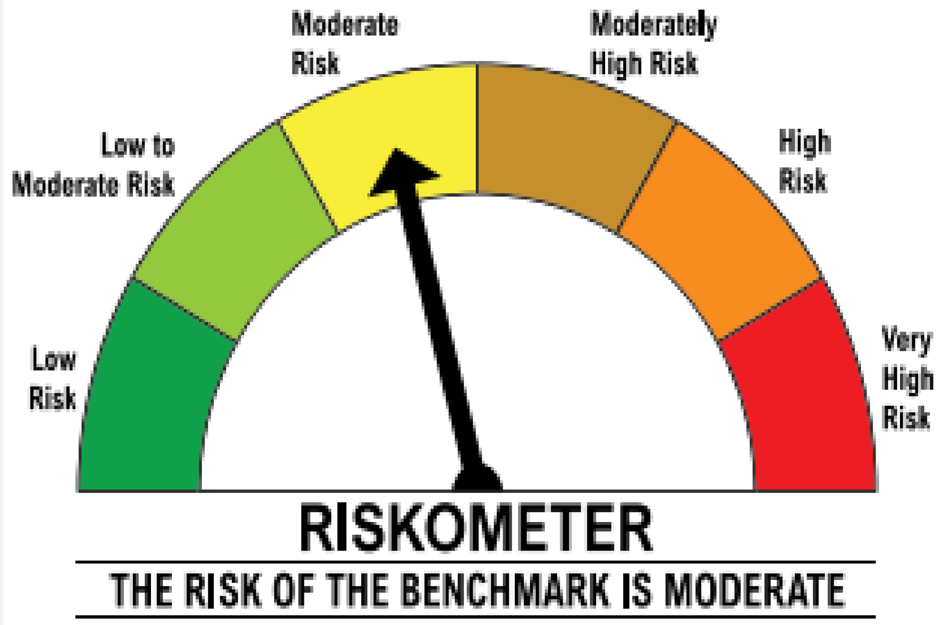
*Investors should consult their financial advisors if in doubt about whether the scheme is suitable for them.

Product Labelling & Riskometer

Scheme	Product Suitability	Riskometer of Scheme	Name of Benchmark	Riskometer of Benchmark
DSP Nifty IT Index Fund An open ended scheme replicating / tracking Nifty IT Index	This product is suitable for investors who are seeking* • Long term capital growth • Investment in equity and equity related securities covered by Nifty IT Index, subject to tracking error.		Nifty IT TRI	
DSP Healthcare Fund An open ended equity scheme investing in healthcare and pharmaceutical sector	This Product is suitable for investors who are seeking* • Long term capital growth • Investment in equity and equity related Securities of healthcare and pharmaceutical companies		BSE HEALTHCARE (TRI)	
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* • 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.		CRISIL Hybrid 50+50 - Moderate Index	

*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 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* • Income over a short-term investment horizon • Investment in money market instruments with maturity less than or equal to 1 year.		CRISIL Money Market A-I Index	
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* • 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.		CRISIL-IBX 50:50 Gilt Plus SDL Index - April 2033	
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* • Income over a medium to long term investment horizon • Investment in actively managed portfolio of money market and debt securities		CRISIL Dynamic Bond A-III Index	

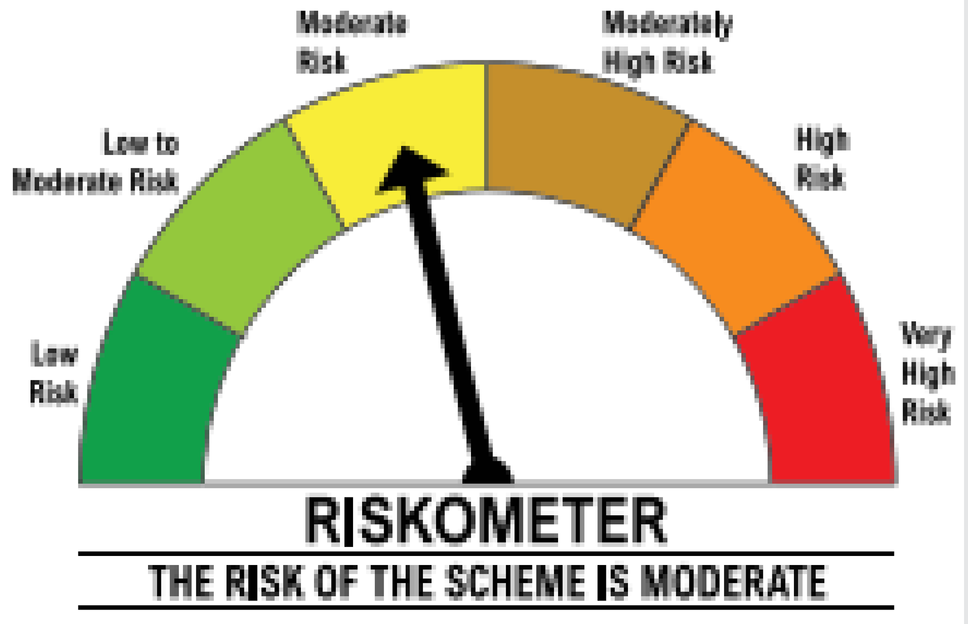
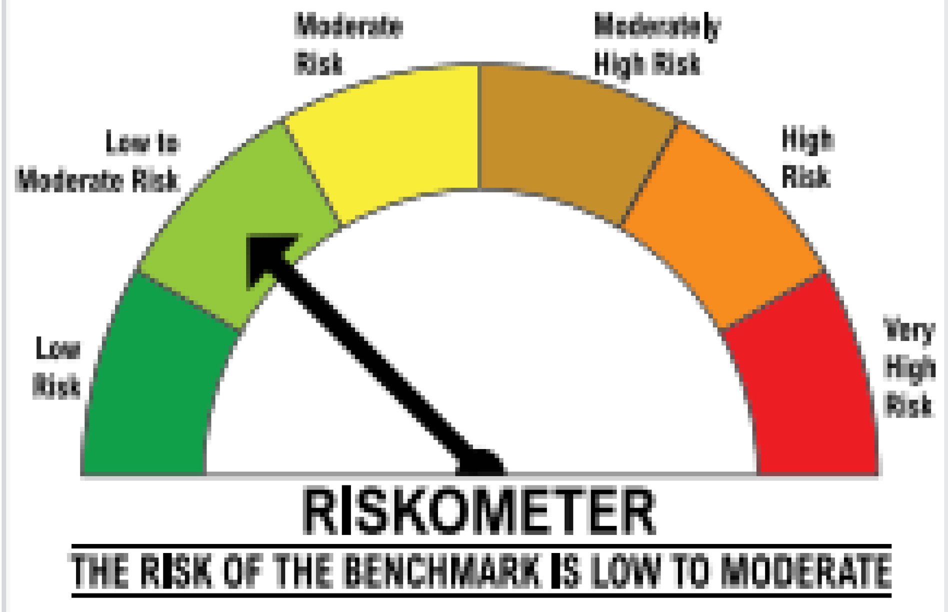
*Investors should consult their financial advisors if in doubt about whether the scheme is suitable for them.

DSP

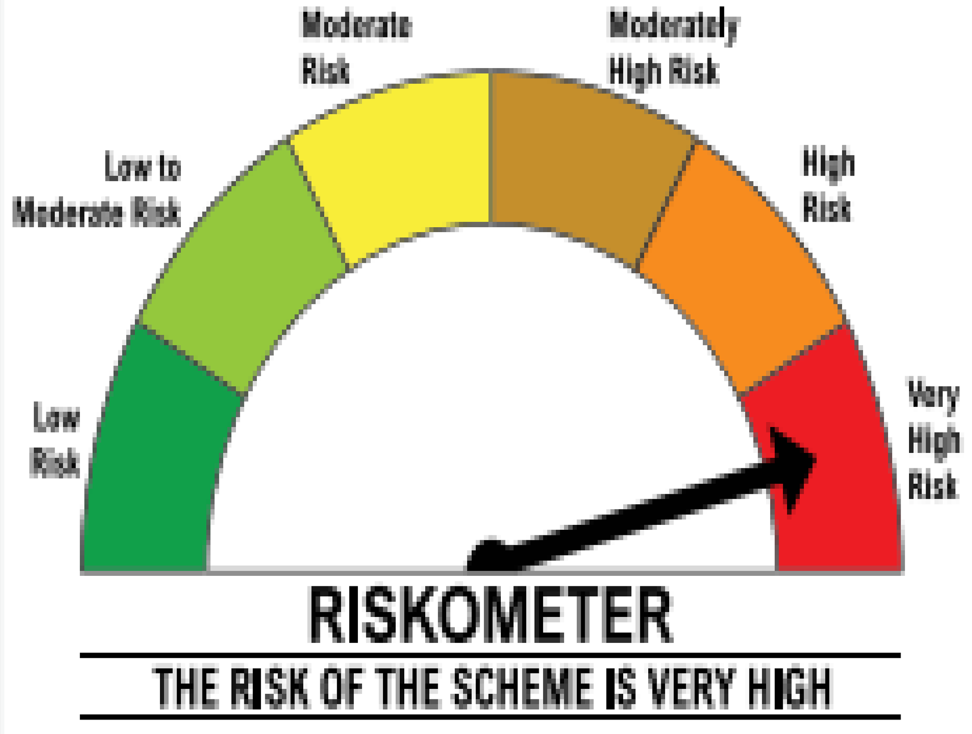
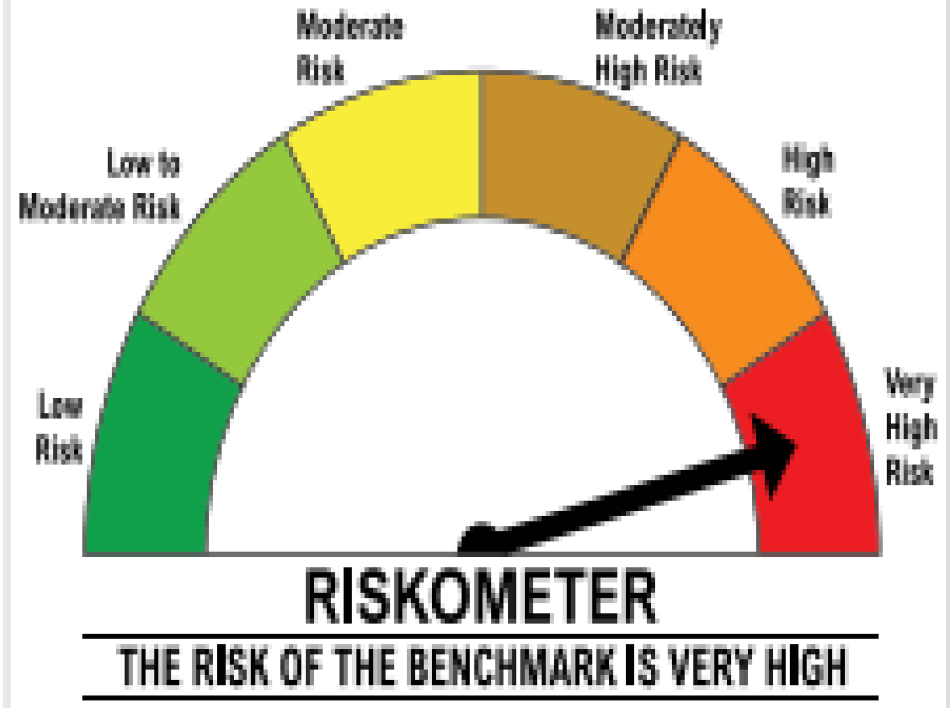
Product Labelling & Riskometer

<table>
<tr><th>Scheme</th><th>Product Suitability</th><th>Riskometer of Scheme</th><th>Name of Benchmark</th><th>Riskometer of Benchmark</th></tr>
<tr>
<td>DSP Income Plus Arbitrage Omni FoF^^ (Erstwhile known as DSP Income Plus Arbitrage Fund of Fund)

An open ended fund of funds scheme investing in units of debt oriented schemes and arbitrage schemes.</td>
<td>This Product is suitable for investors who are seeking*
• Income Generation & capital appreciation through investments in units of arbitrage and debt-oriented schemes.

Please refer to Notice cum addendum dated February 4, 2025 for change in fundamental attribute of scheme with effect from March 11, 2025</td>
<td></td>
<td>40% NIFTY 50 Arbitrage Index + 60% NIFTY Composite Debt Index</td>
<td></td>
</tr>
<tr>
<td>DSP Quant Fund

An Open ended equity Scheme investing based on a quant model theme

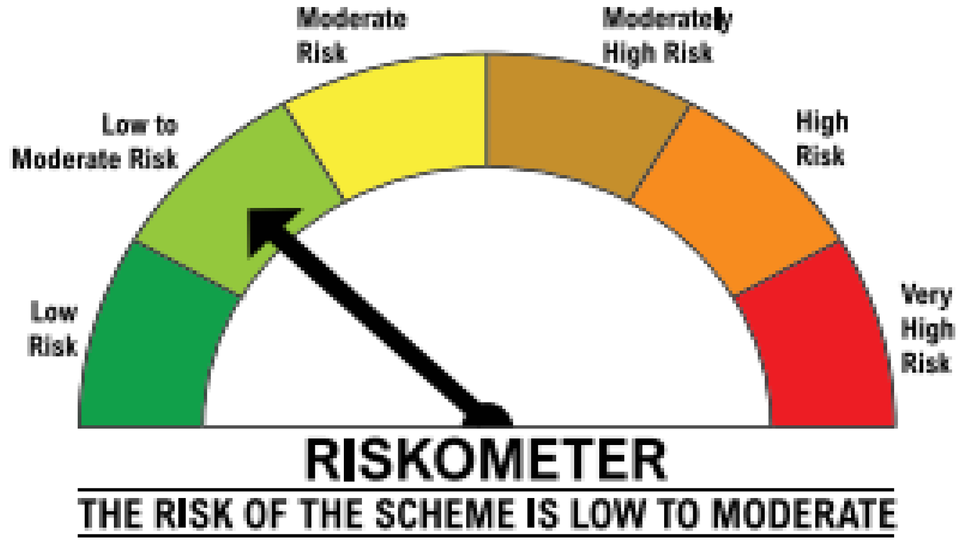
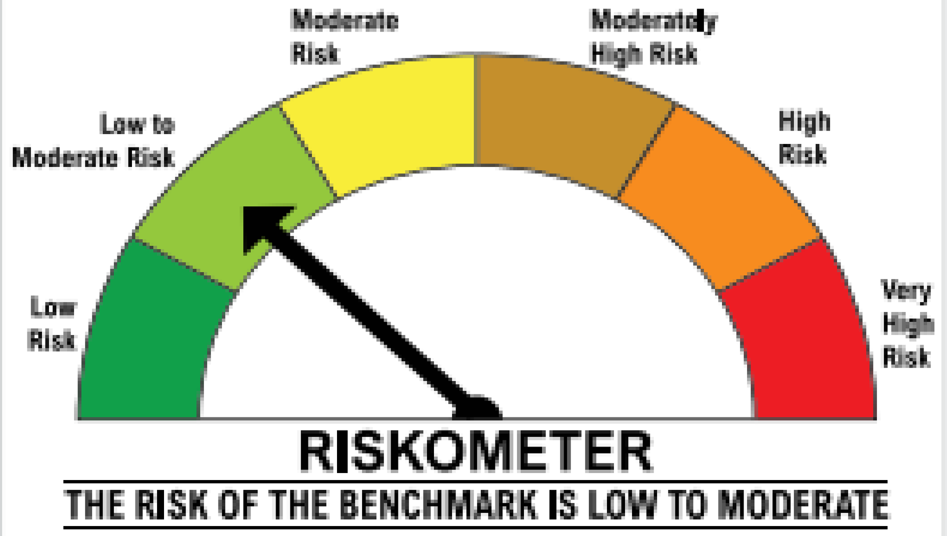
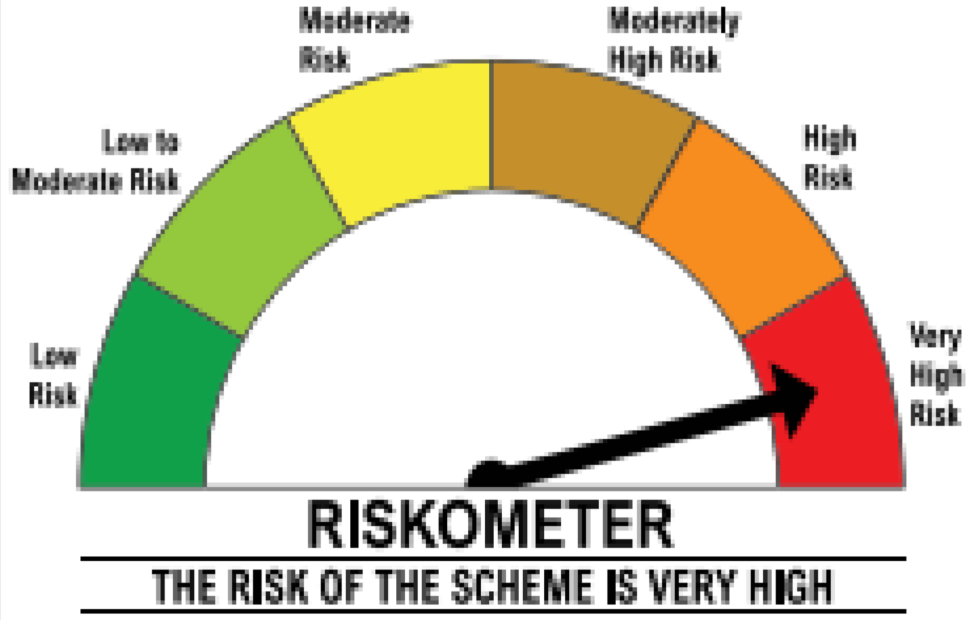
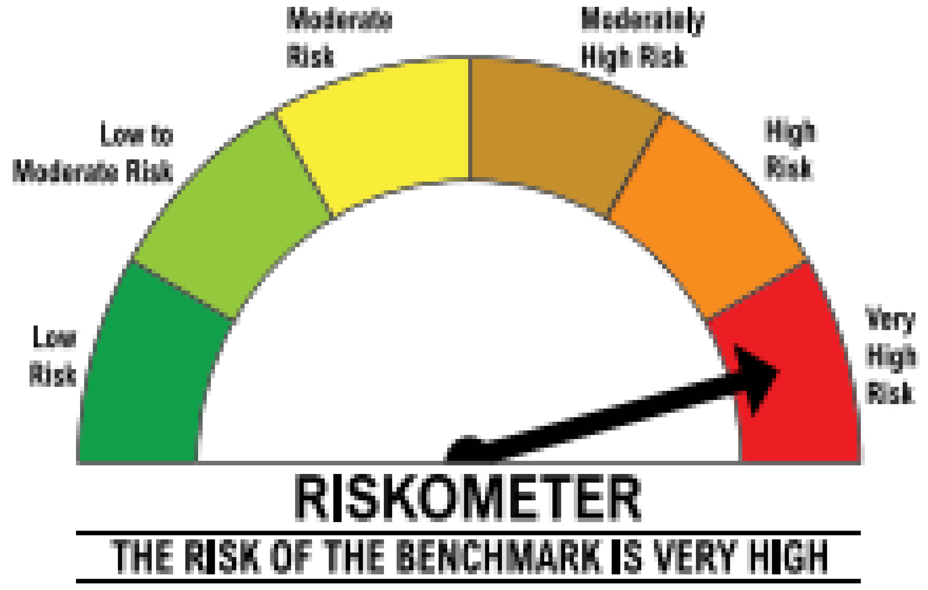
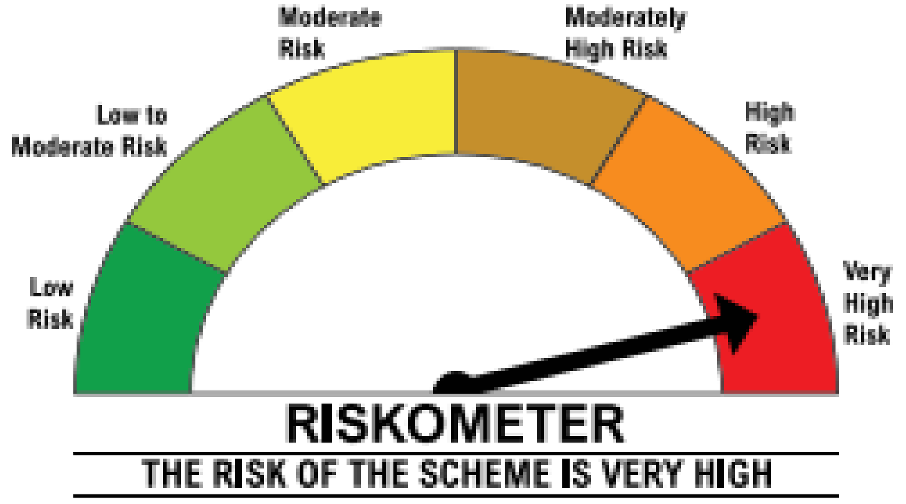
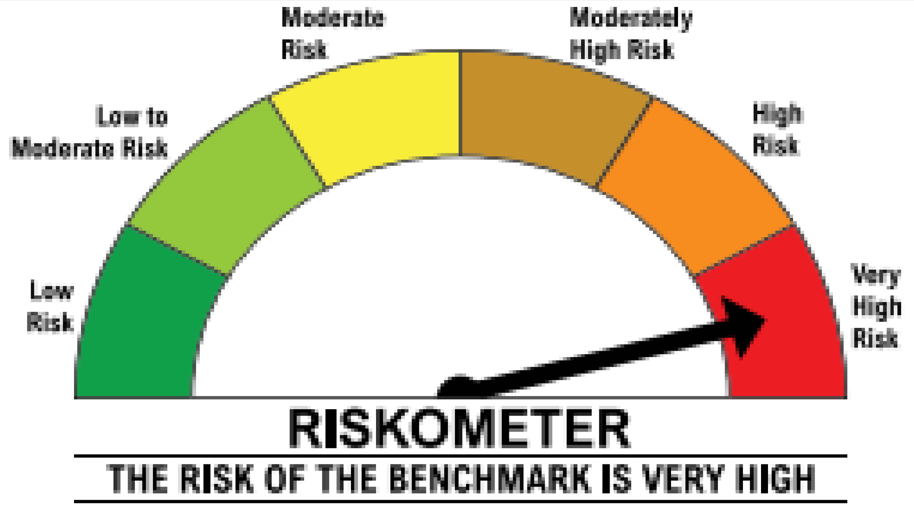
Please refer to Notice cum addendum dated October 22, 2024 for change in fundamental attribute of scheme with effect from November 28, 2024.</td>
<td>This Product is suitable for investors who are seeking*
• Long term capital growth
• Investment in active portfolio of stocks screened, selected, weighed and rebalanced on the basis of a quant model</td>
<td></td>
<td>BSE 200 TRI</td>
<td></td>
</tr>
</table>

^^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.

DSP

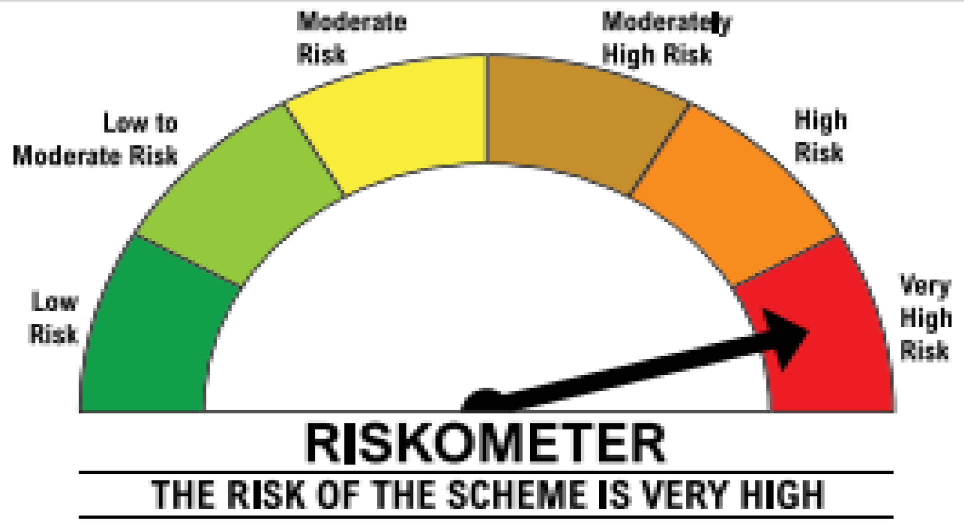
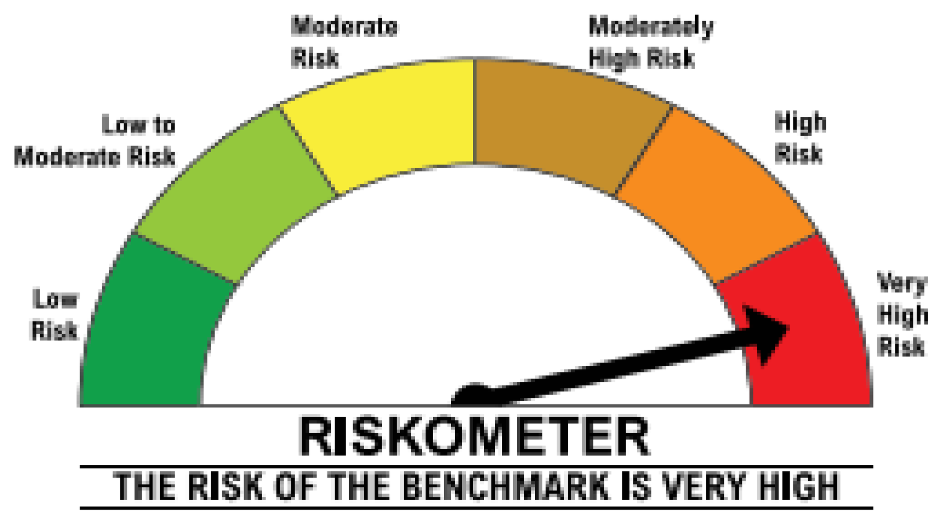
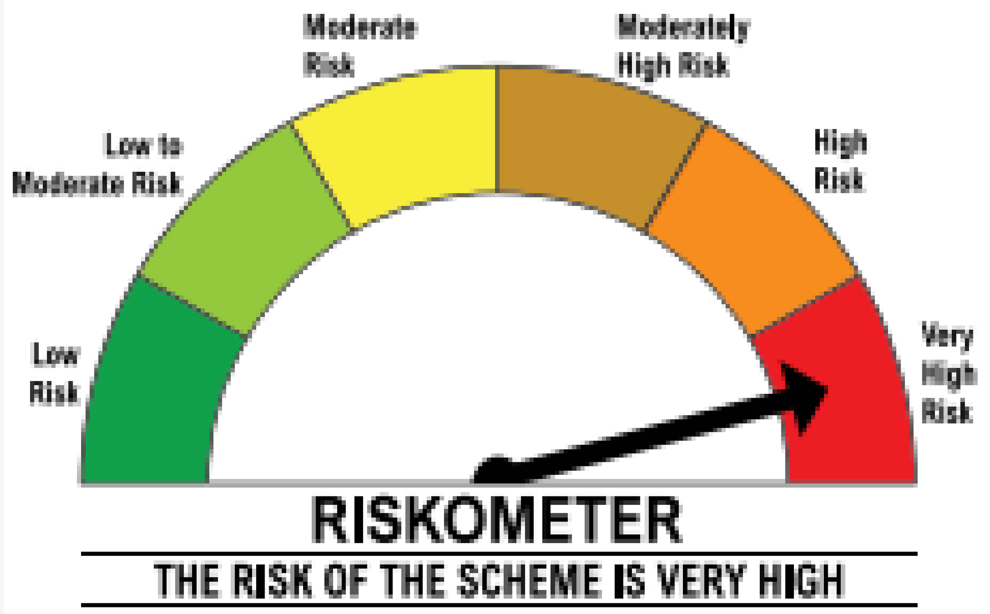
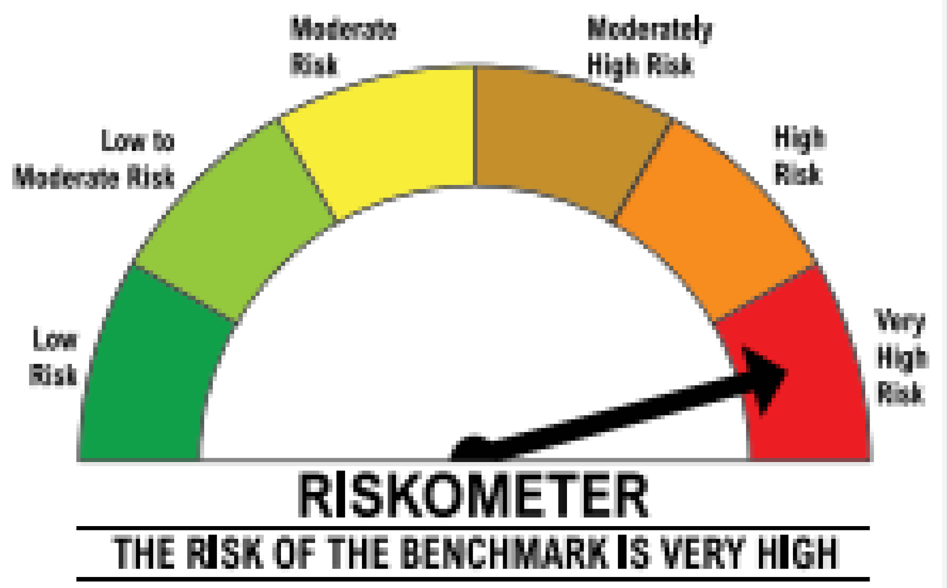
Product Labelling & Riskometer

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* • Income over a medium-term to long term investment horizon • Investment in money market and debt securities		CRISIL Corporate Debt A-II Index	
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* • Long-term capital growth • Investment in equity and equity related securities of banking and financial services companies		Nifty Financial Services TRI	
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* • Long-term capital growth • Investment in equity and equity-related securities predominantly of large cap companies		BSE 100 (TRI)	

DSP

*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 Silver ETF Fund of Fund An open ended fund of fund scheme investing in DSP Silver ETF	This product is suitable for investors who are seeking* • Long term capital growth • Investments in units of DSP Silver ETF which in turn invest in Physical Silver		Domestic Price of Physical Silver (based on London Bullion Market association (LBMA) Silver daily spot fixing price)	
DSP Multi Asset Allocation Fund An open ended scheme investing in equity/equity related securities, debt/ money market instruments, commodity ETFs, exchange traded commodity derivatives and overseas securities	This Product is suitable for investors who are seeking* • 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		40% NIFTY500 TRI + 20% NIFTY Composite Debt Index+ 15% Domestic Price of Physical Gold (bas ed on London Bullion Market Association (LBMA) gold daily spot fixing price) + 5% iCOMDEX Composite Index + 20% MSCI World Index	

DSP

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

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

DSP

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:

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

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

DSP

Disclaimer:Please refer to Notice cum addendum dated May 27, 2025 for change of scheme name (DSP CRISIL-IBX 50:50 Gilt Plus SDL – April 2033 Index Fund) and change of benchmark for the scheme with immediate effect.

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