DSP

THE NAVIGATOR

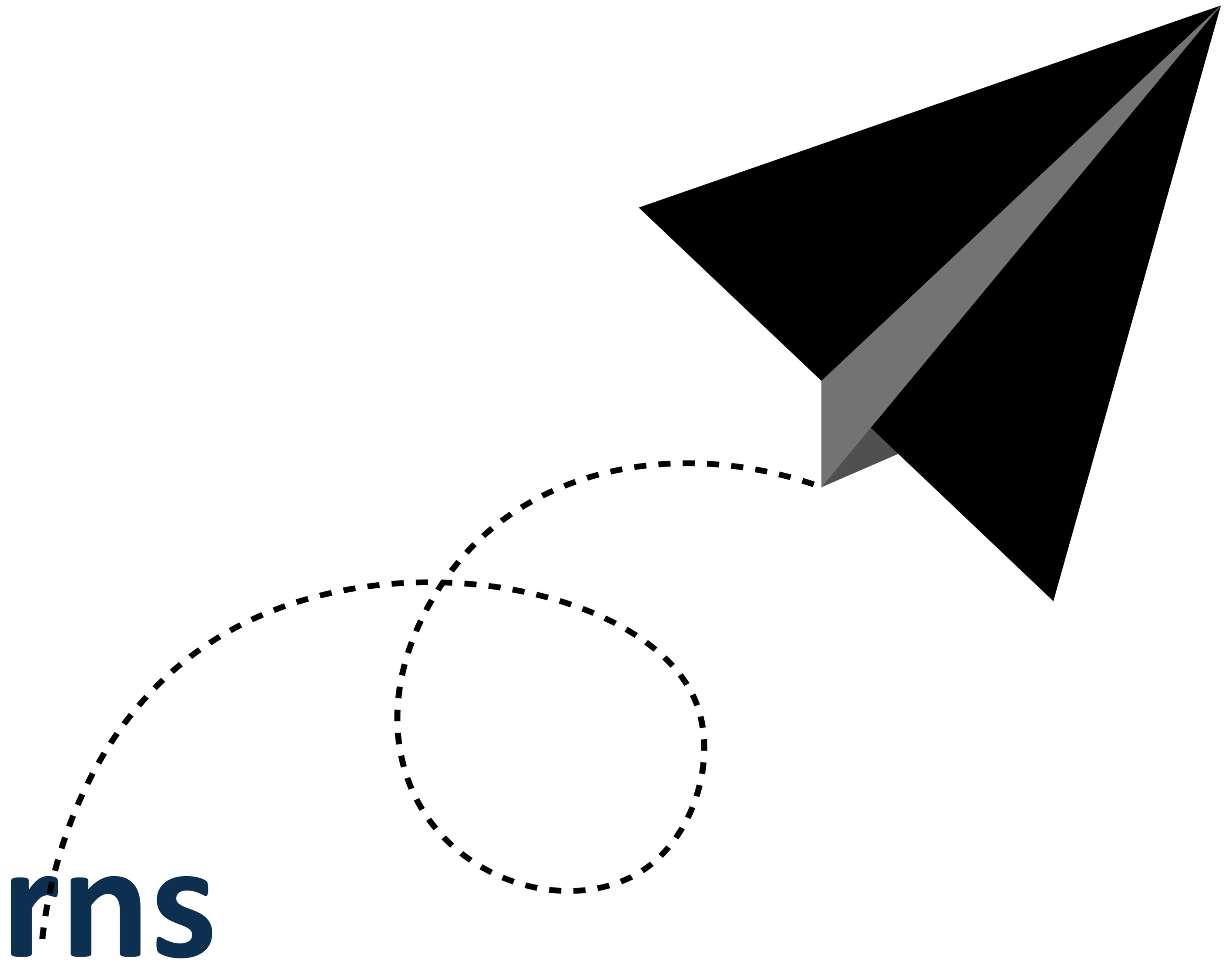
What do I do with my money?

September, 2022

What Are We Saying?

1. **Valuations are a notch above their long-term average, but the current market moves don't warrant a change in asset allocation.** Therefore, we continue to recommend equity allocation for moderate appetite at 50%
2. **The coming quarter is likely to be volatile**, with incoming data from US/ EU likely to show a marked slowdown. To add to it, global energy prices will create more noise. Watch out for the November earnings season
3. The sectors that we recommended in **June edition**- banking, automobiles, pharmaceuticals/ healthcare have done well and we continue to stay with them. Additionally, we are exploring opportunities in sectors which will benefit from fall in energy/input prices- cement, tiles and garment exporters
4. Monetary policies will be delivering their penultimate/ ultimate hikes this year
5. In fixed income, adding risk-calibrated duration makes sense. Event based action is likely to be seen once the outcome of India's inclusion in JPM EM bond inclusion is announced.

DSP



The Drivers Of Returns

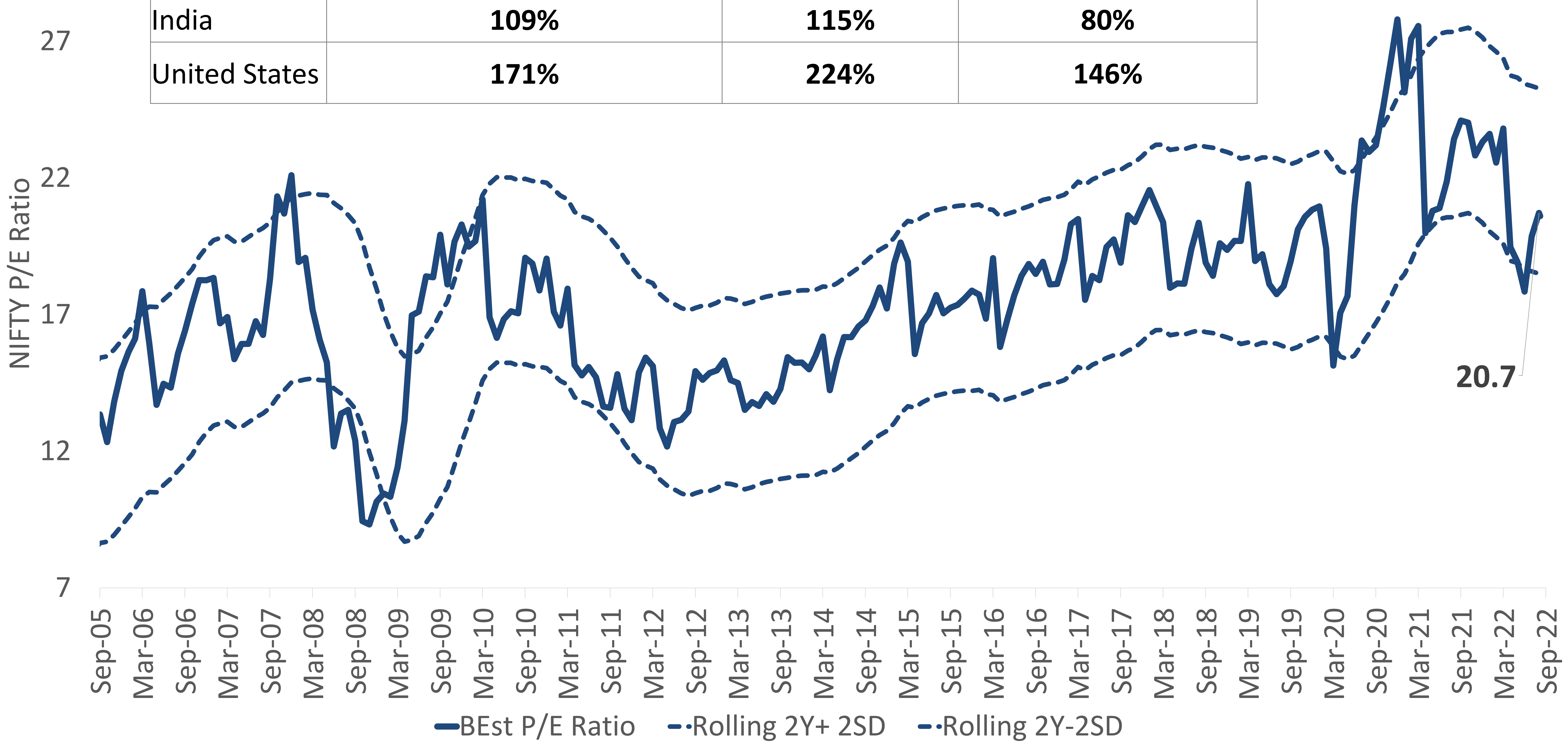
- Valuations
- Earnings
- Macros & Flows
- Interest rate cycle

DSP

Valuations: There’s Opportunity In A Few Sectors

Equity Valuations Have Moved From Cheap To Average

	Current Market Cap to GDP	Last 2 Years' High	Last 10 Years' Average
India	**109%**	**115%**	**80%**
United States	**171%**	**224%**	**146%**



After the recent rally, equity valuations have marginally risen. This makes us delve deeper into sectors where there is more valuation comfort. We expect some volatility in markets as incoming data from western economies starts to show signs of imminent slowdown.

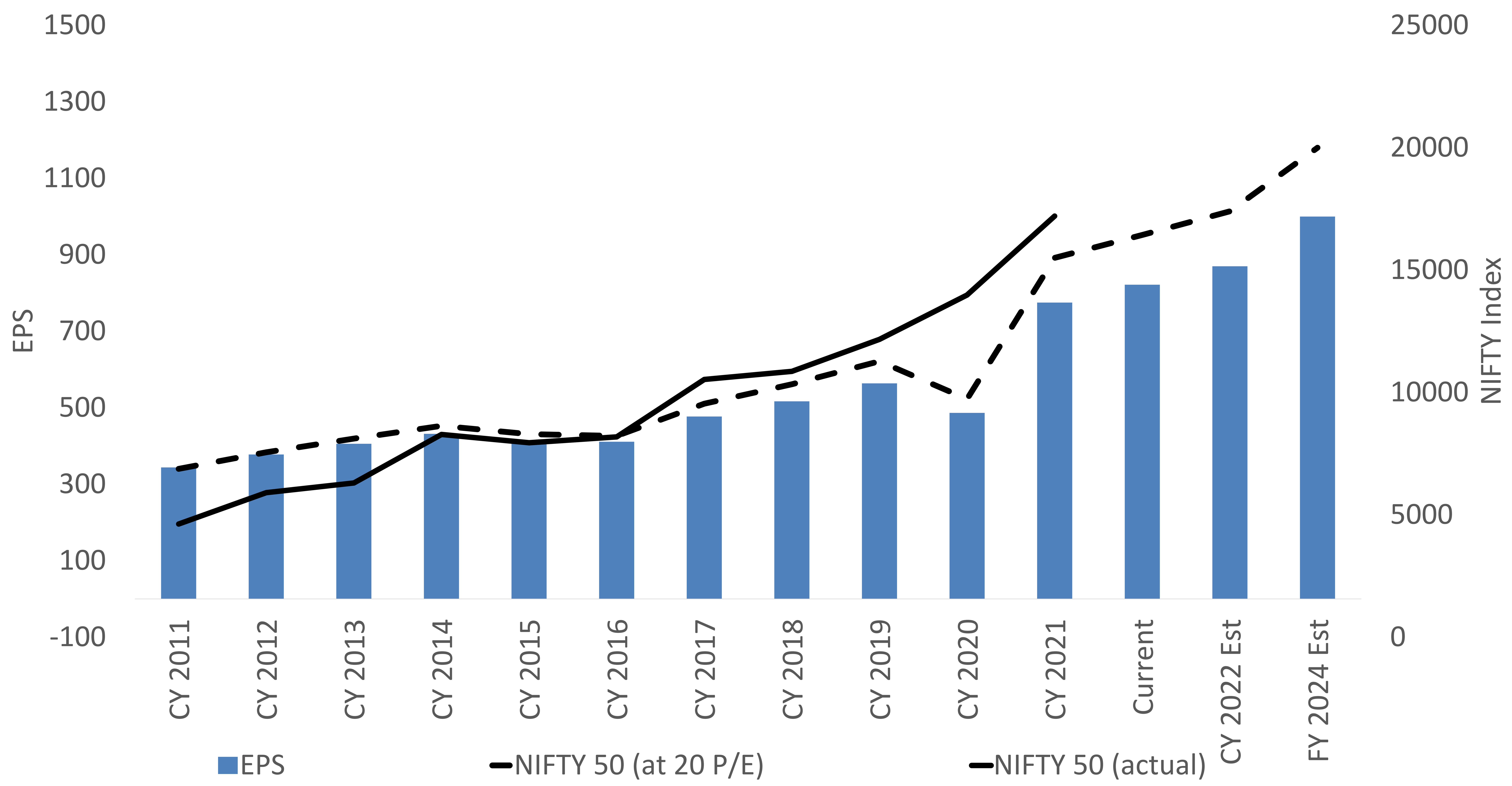
Fall of NIFTY below 16500 will create valuation comfort and should be used as an opportunity to add to equity allocation further.

DSP

Source: Bloomberg as on September 05, 2022

P/E= Price to Earnings; Best P/E= Bloomberg Estimate Price to Earnings; GDP=Gross Domestic Product

A Market Fall Could Result In Fresh Opportunity, Must Be Tapped



At average P/E multiple of 20 and expected EPS of 1000 in FY24, NIFTY could be at 20,000 levels in the next 18 to 24 months. This will mean a return of ~20%, if the markets go below 16,500. Therefore, raising equity allocation on a decline is ideal. Currently, keeping allocation steady is beneficial.

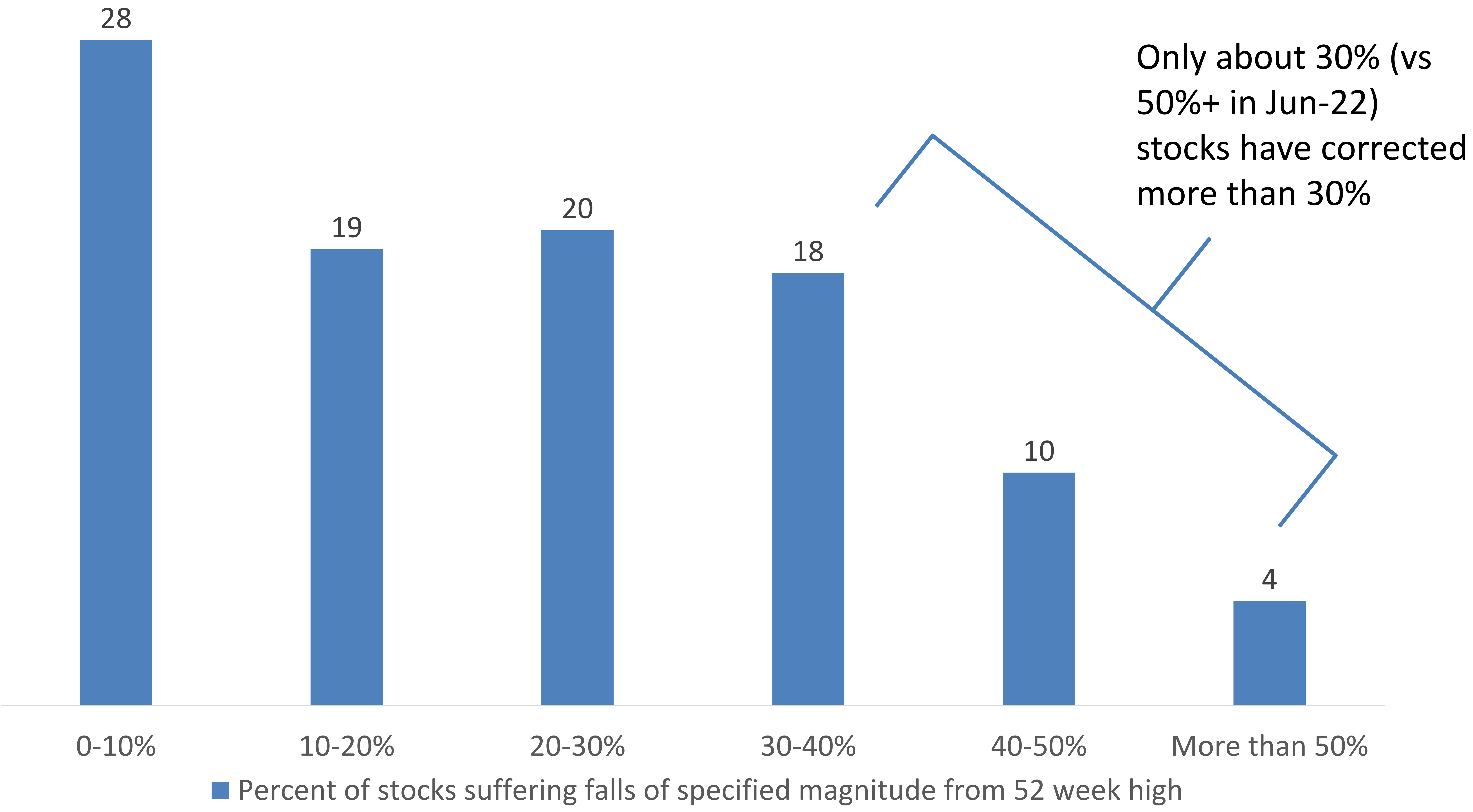
Therefore, we keep the equity allocation for moderate appetite at 50% for now but will advise adding on equity allocation if the markets dip into the 17,000 to 16500 range in the coming months. Would they? We don't know.

DSP

Source: Bloomberg as on September 05, 2022

EPS= Earnings Per Share P/E= Price to Earnings; Best P/E= Bloomberg Estimate Price to Earnings

Broader Markets' Performance Has Improved But Doesn't Indicate Froth Yet



While no stocks are making fresh 52-week highs, there has been a significant improvement since we released Navigator-June, 2022.

Number of members above 200 DMA at 60% indicate proximity to average

The coming earnings season, energy price, monetary policy tilt can swing markets and create fresh opportunity to add in the benefitting sectors.

DSP

Source: Bloomberg as on 5th September, 2022 DMA= Day Moving Average

Sector Valuations: There's More Opportunity In Select Sectors

Sector	Valuations (vis-à-vis) long term average
Financials	
Automobiles	
Consumer Durables	
IT	
Pharmaceuticals/Healthcare	
FMCG	
Capital Goods	
NIFTY 50	

Attractive Valuations

Neutral On Valuations

Our analysis of sector valuations reveals that there's more opportunity in select sectors. We continue to like financials(credit growth, rate hike cycle), automobiles(coming out of a long-subdued cycle, benefitting from lower input prices) and pharmaceuticals/ healthcare(attractive valuations)

The coming wage spiral and festive season is a harbinger of good environment for consumer durables. Capital goods, especially cement and tiles, may gain from fall in energy prices.

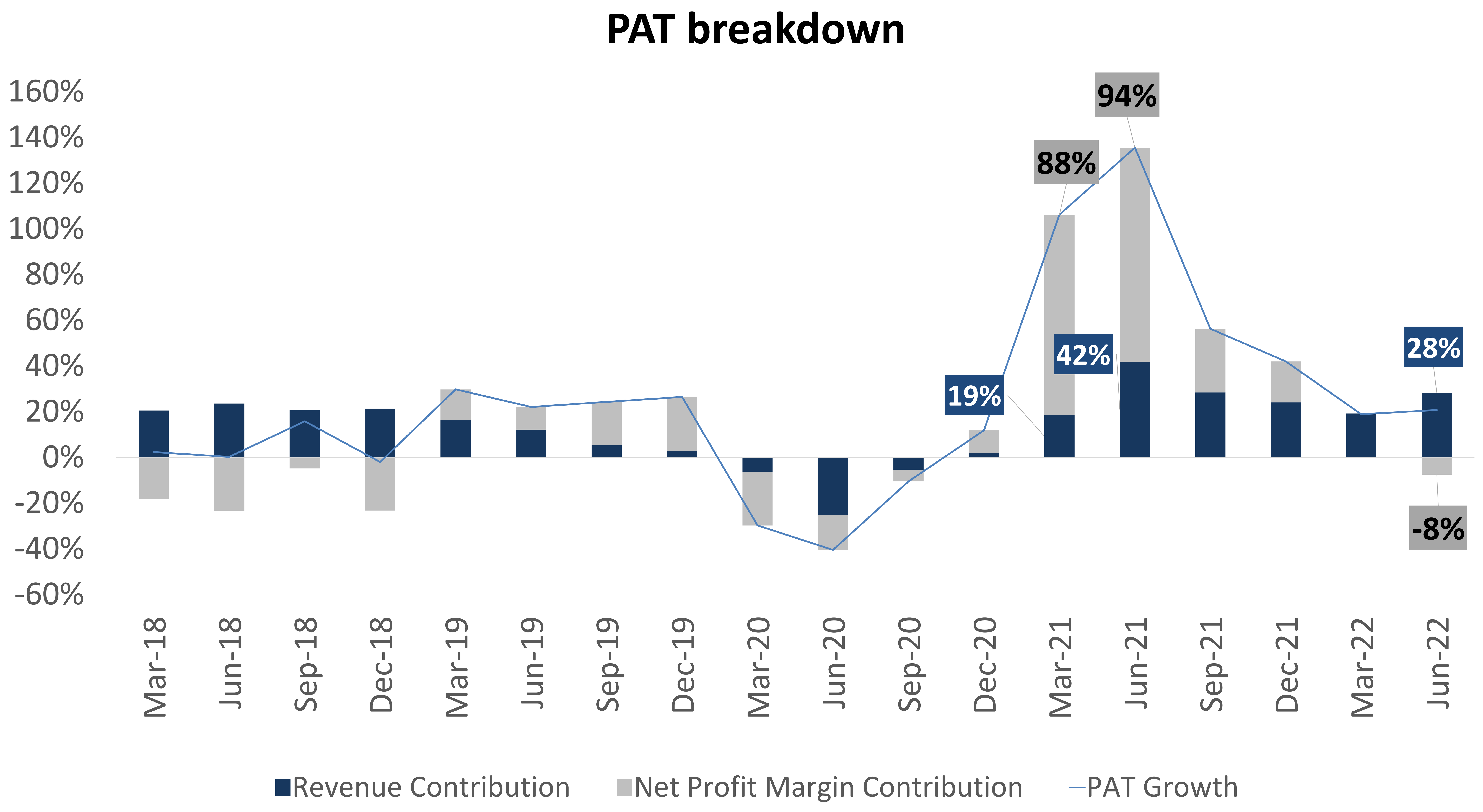
We continue to look out for opportunity at reasonable prices

DSP

Source: Bloomberg, Spark research, Data as on 05th September, 2022

Earnings: From Margin Expansion To Contraction

Margin Expansion Is Drying But Will Gain From Input Costs Easing



After a sharp margin expansion in the covid era that was driven by cut in travel/employee costs and administrative expenses, the margins are drying away largely driven by high input prices and/or high attrition rate.

However, with input prices easing, margins are likely to improve hereon. As per the latest India PMI release, "input cost pressure retreated to one year low in August-2022"

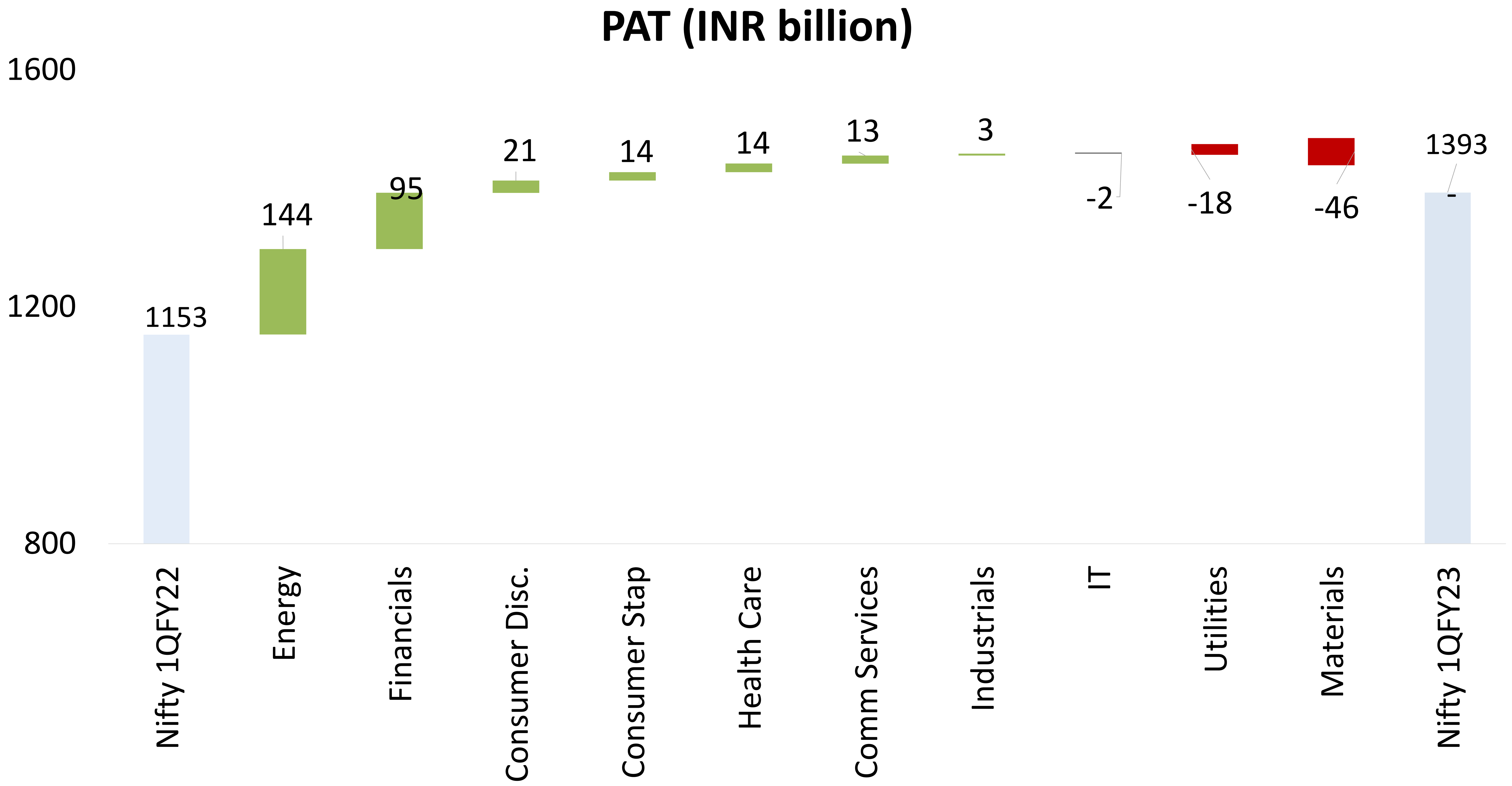
Read: The Coming Collapse Of Inflation and How To benefit From It

DSP

Source: Investec Research, DSP, Data as on Sep 05, 2022

PAT=Profit After Tax, PMI= Purchasing Managers' Index

Q1 Earnings Were Largely On Expected Lines



Recent earnings season resulted in earnings that were largely in line with expectations. Financials(higher rates+ credit uptick) and energy(higher prices) drove up the aggregate earnings significantly.

Overall, this earnings season was a mild one, with some slowdown but we think the macro environment is likely to undergo a significant change in the coming quarters, especially with regards to input prices.

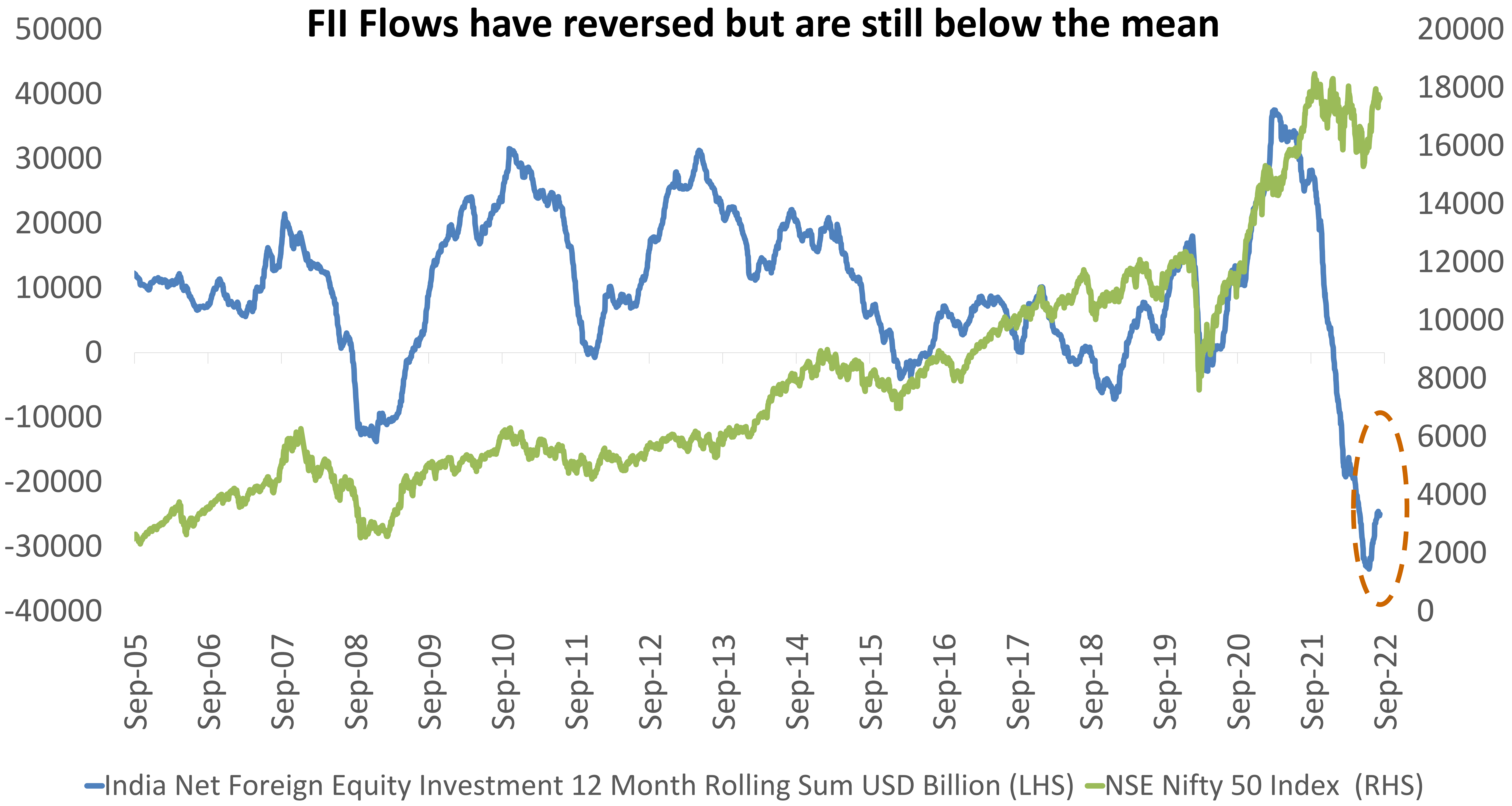
To understand the most from corporate commentaries, read: The Transcript

DSP

Source: Investec Research, DSP, Data as on Sep 05, 2022

Macros & Flows: Unbalanced Forces In Opposite Directions

"Who's The More Foolish: The Fool Or The Fool Who Follows Him? "- A New Hope



As was expected in Navigator-June, 2022, FII flows have reversed, marking net inflows in July and August.

We re-iterate our view that India has the strongest fundamentals among Emerging Markets and therefore will attract global flows.

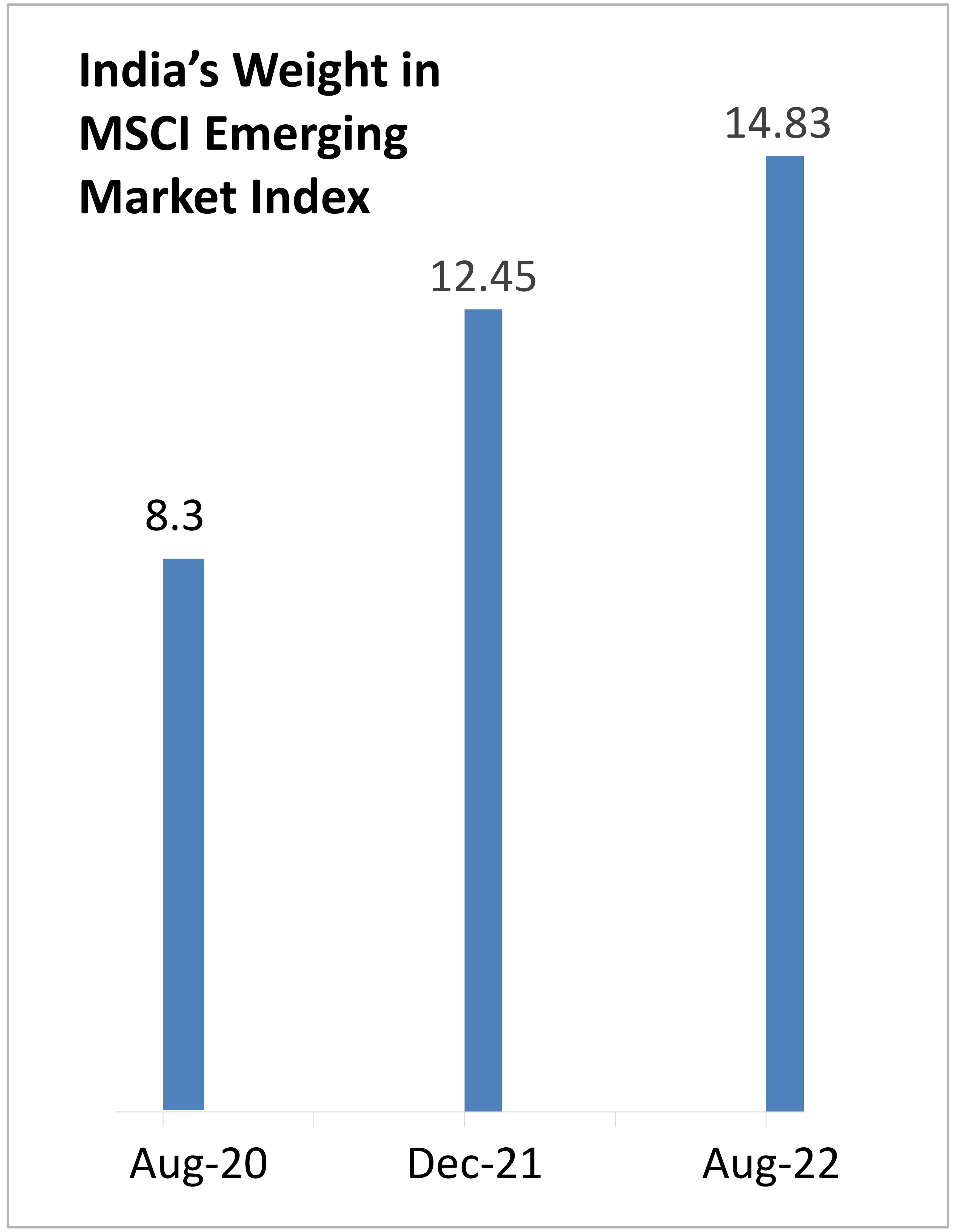
DSP

Source: Bloomberg, DSP, Data as on Sep 05, 2022

FII= Foreign Institutional Investors

“It’s An Imperfect World, But It’s The Only One We’ve Got”

Country	Net Inflows (USD bn)
Taiwan	-6530
Philippines	-219
Vietnam	76
Malaysia	467
Indonesia	549
Thailand	1522
Japan	2068
Brazil	3360
S. Korea	3814
India	7177



India had the highest inflow samong the emerging market peers (Note: Data for China is not available for July-August).

The increase in weight of India in MSCI Emerging Market Index, solid fundamentals, controlled currency movement and decent earnings have reflected in FIIs coming back to India. We believe this should sustain in near future.

DSP

Source: Bloomberg, DSP, Data as on Sep 05, 2022, Data for China is not available for July and August for a like-to-like comparison

Flows Are Supportive Of The Sectoral View

% contribution to flows

Flows (USD bn)	July-Aug	H1CY2022	H2CY2021	H1CY2021	July-Aug	H1CY2022	H2CY2021	H1CY2021
Auto	0.6	-1.1	-0.7	0.7	8%	4%	15%	9%
Finance	1.7	-11.1	-4.9	2.8	25%	39%	106%	34%
IT	-0.5	-7.7	-2.8	-0.4	-8%	27%	61%	-5%
O&G	-0.5	-1.6	0.1	0.5	-7%	6%	-3%	5%
Consumer (incl. Media)	1.4	-3.8	3.1	0.7	20%	13%	-68%	8%
Utilities (Incl. Telcos)	1.2	-0.2	1.1	1.2	17%	1%	-24%	15%
Healthcare	1.1	0.0	-0.3	-0.2	15%	0%	7%	-2%
Industrials (Inc. Cement)	1.1	-2.6	-0.3	1.2	15%	9%	6%	15%
Metals	-0.1	0.4	-0.6	0.3	-1%	-1%	12%	3%
Others	1.0	-0.6	0.5	1.5	15%	2%	-11%	18%
Total	7.1	-28.4	-4.6	8.3	100%	100%	100%	100%

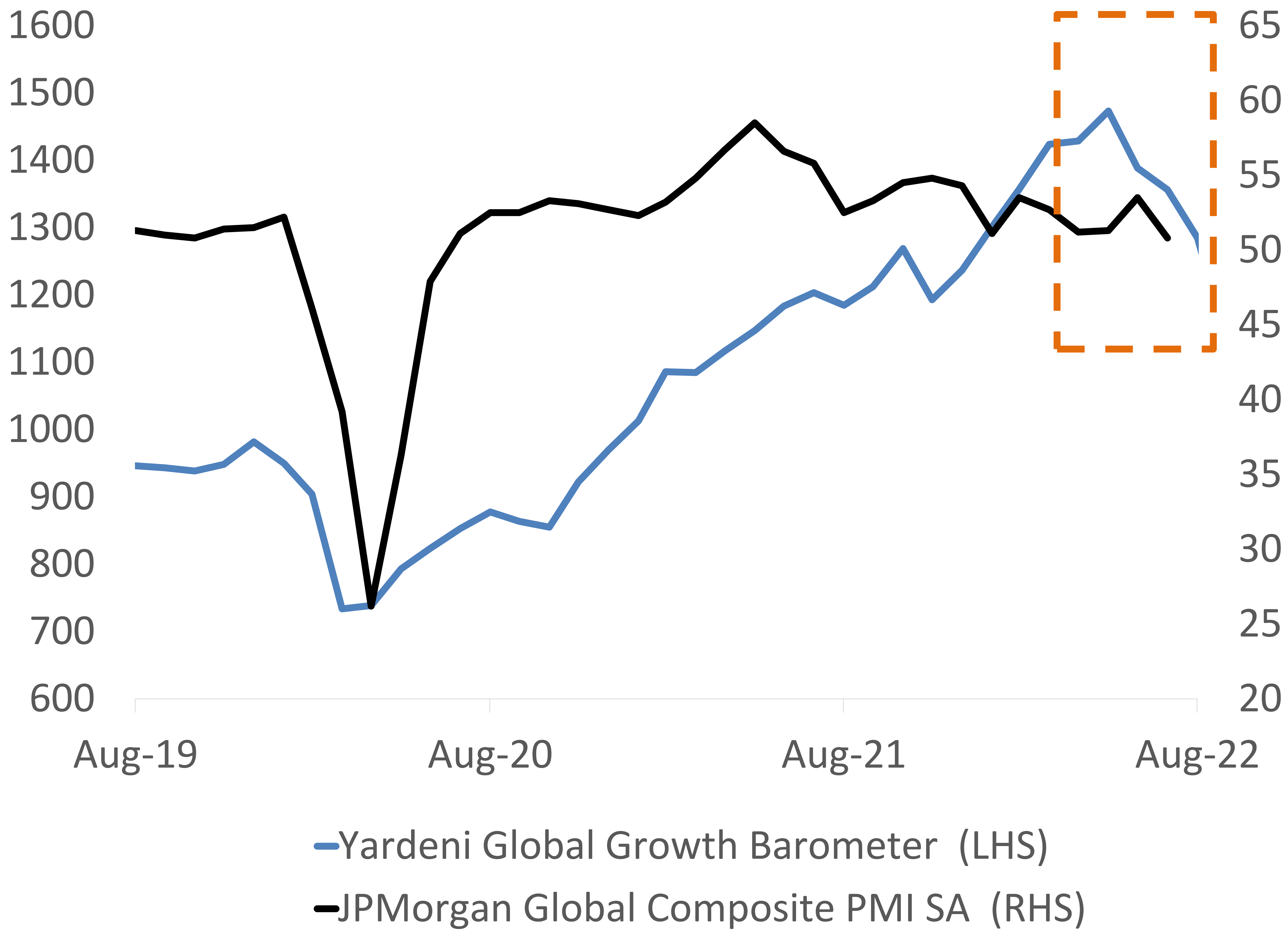
Auto, financial services, healthcare, consumer goods and industrials have garnered flows which gels well with our sectoral view. The outflows in IT sector have reduced .

DSP

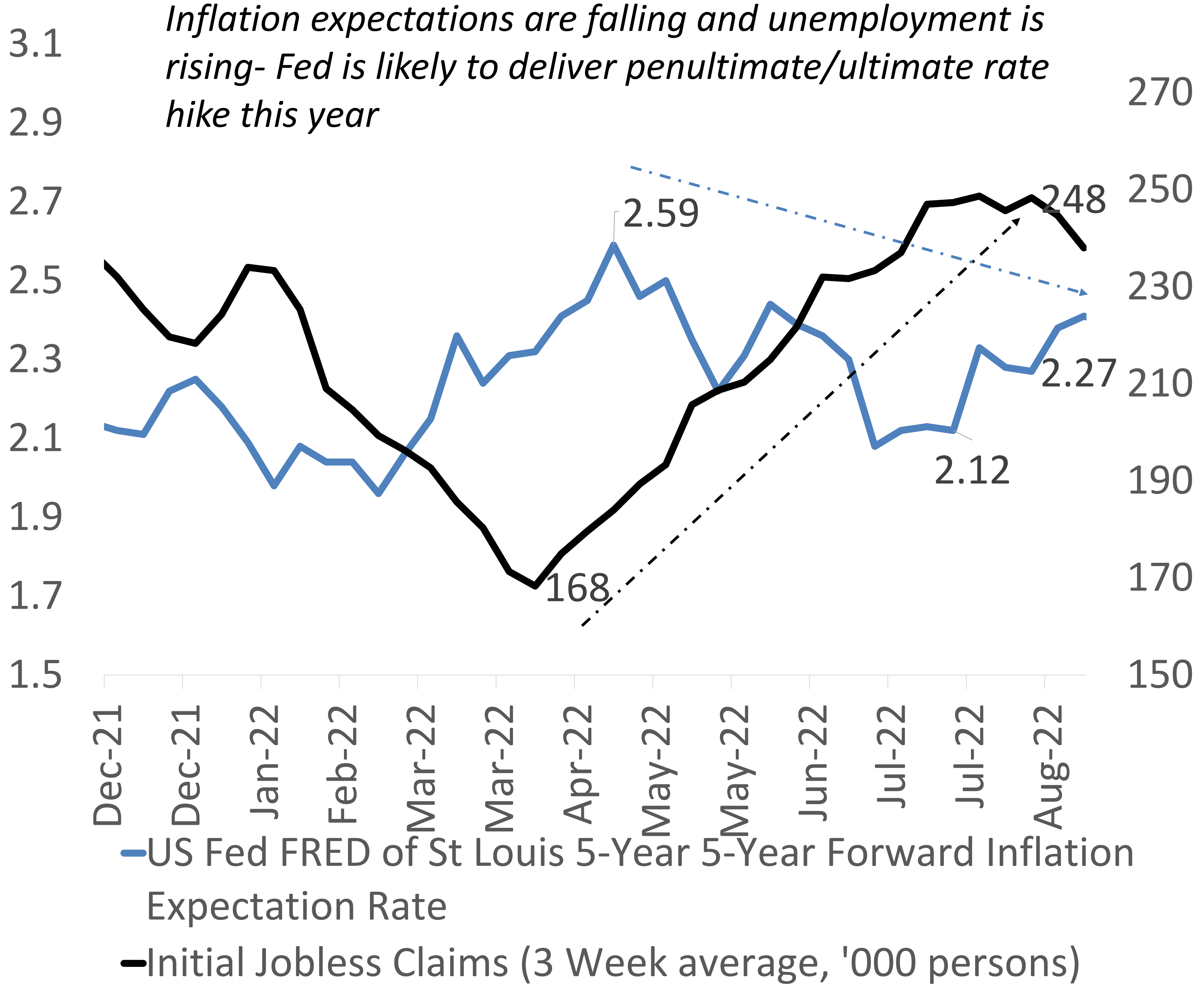
Source: Investec Research, DSP, Data as on August 31, 2022

In Monetary Policy, 'Information Shock' Is More Effective

Global growth lead indicators are tipping downwards



Macro Environment is not very congenial for aggressive rate hikes



DSP

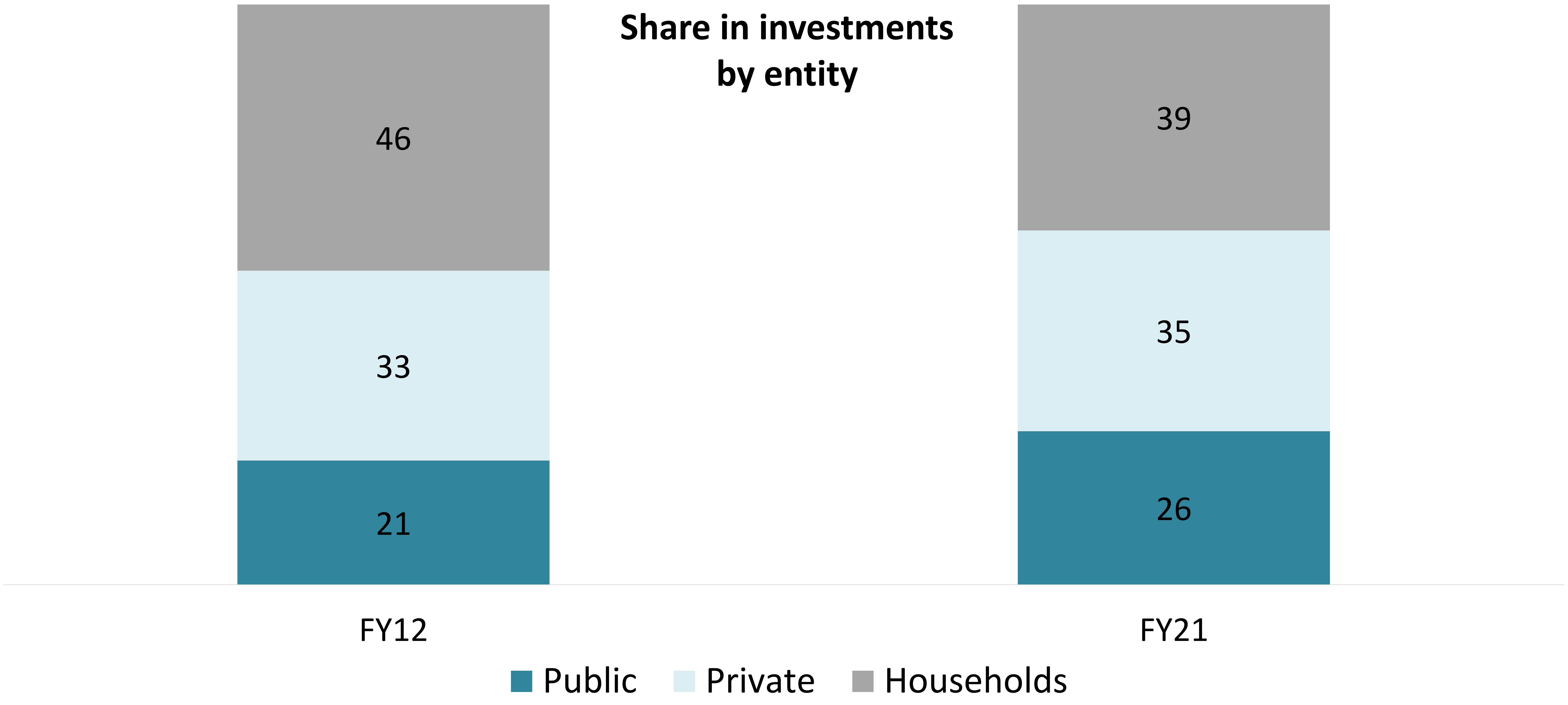
Source: Bloomberg, data as on 05 September, 2022

‘No Free Lunch’ For The Economy

Good News	The Not-So Good News
• Domestic growth is resilient	• With global slowdown, exports demand is likely to suffer
• Limited fear of sharp policy withdrawal	• Indian policy makers, at least in the short term, will hike rates to protect currency despite stable growth and inflation
• Consumption resilience- festive season, expectations of wage spiral • Falling oil prices likely to offer a helping hand	• Higher imports will keep the trade deficit elevated, marking a current account expectation of 3%+ in FY23 .
• Good credit and capex upswing	• The ease in commodity prices also reflect a ease in demand and therefore sustenance of these factors will be closely watched

Our Take: In nutshell, we believe India is likely to sail through the externalities despite the patchy road ahead. **India is likely to be a steady ship in choppy waters.**

Households Investments Still Have A Long Way To Go



The fall in households and private investments has been filled by increased public investments.

There is still some runway for private and household investments to kickstart, now that the capacity utilization is trailing above 75 and macro environment is affable. **The current investment cycle is in nascent stage, it may have a rickety recovery ahead.**

DSP

Source: CMIE, DSP, Latest Available Data as on Sep 05, 2022

DSP Capex Tracker: Most Domestic Capex Indicators Are On Upswing

		Jun-19	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	3 Year CAGR
New Investments	INR Billion	1979	3566	7754	5215	1871	2650	1581	2654	2991	3389	4008	7778	4263	29%
OBICUS Capacity utilisation	Per cent	73.6	69.1	68.6	69.9	47.3	63.3	66.6	69.4	60.0	68.3	72.4	75.3		
Aggregate New Orders	INR Billion	749	966	1012	835	471	869	1500	2120	702	945	792	942	1030	11%
Central Govt Capex (ex Loans)	INR Billion	570	1157	616	771	743	741	762	905	1049	1050	1486	1755	1610	41%
Cement Volumes	Billion Tonnes	86	78	84	87	53	69	81	93	84	85	88	102	98	5%
Import of engineering goods	USD Billion	25	24	24	23	13	16	22	25	23	22	28	28	26	2%
Industrial credit	INR Trillion	28	27	28	30	29	28	28	29	29	28	30	32	32	4%
IIP- Capital Goods	Index	101	91	91	91	35	79	91	99	74	92	88	100	96	-2%
Housing loans	INR Trillion	12	13	13	14	14	14	14	15	15	15	15	17	17	14%

DSP

Source: CMIE, DSP, Latest Available Data as on Sep 05, 2022

PMI= Purchasing Managers' Index

India: Steady Ship In Choppy Waters

	PMI (Absolute)	Real GDP (Y-o-Y)	CPI (Y-o-Y)	IIP (Y-o-Y)	Export Growth (Y-o-Y)	Import Growth (Y-o-Y)	FX Reserves (USD Bn)	Policy Rate (%)
India	58	14	7	12	2	44	561	5.4
US	54	2	9	4	23	20		2.4
China	53	0	3	4	18	2	3104	
Eurozone	49	4	9	2	3	6	36	0.5
Malaysia	50	9	4	12	38	42	100	2.3
Indonesia	52	5	5	0	32	40	132	3.5
Brazil	53	3	10	-1	-5	-1	316	13.8
Russia	50	-4	15	-1	2	2	498	8.0

India is emerging as one of the relatively better off economies in the post-covid world.

The collateral damage of external headwinds is visible in slow export and high import growth which is pushing FY23 Current account deficit to upwards of 3%

Since India didn't have massive dole outs during the pandemic, the current growth is not on crutches and is shielded from any policy withdrawal syndrome

To read more indicators on domestic economy, read Tathya

Track analysis of major releases: 5things

DSP

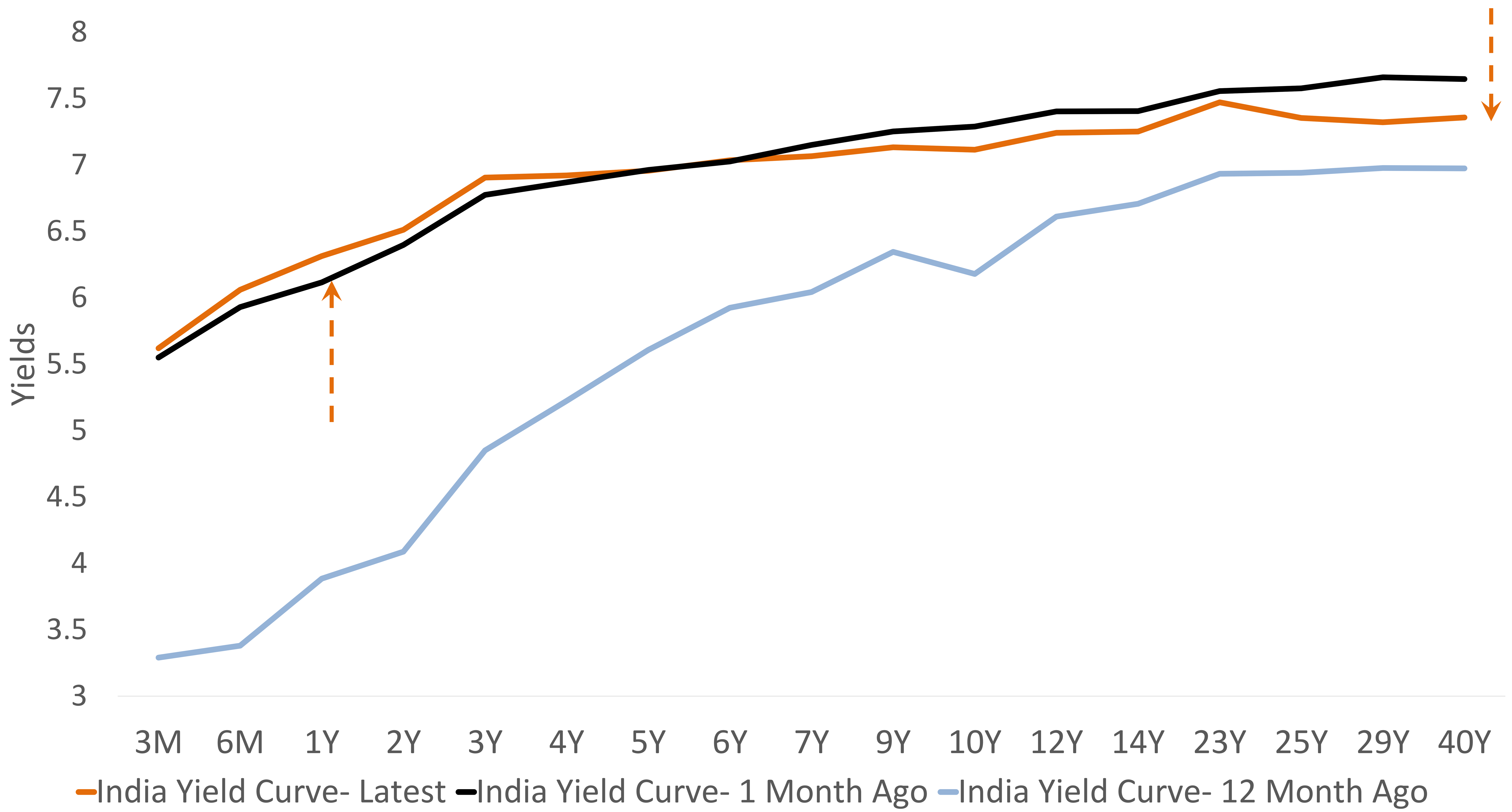
Source: Bloomberg, DSP, Latest Available Data as on Sep 05, 2022

PMI= Purchasing Managers' Index, IIP= Index of Industrial Production, CPI= Consumer Prices Index

Interest Rates: Not A Significant Worry

DSP

India: Flattening Yield Curve



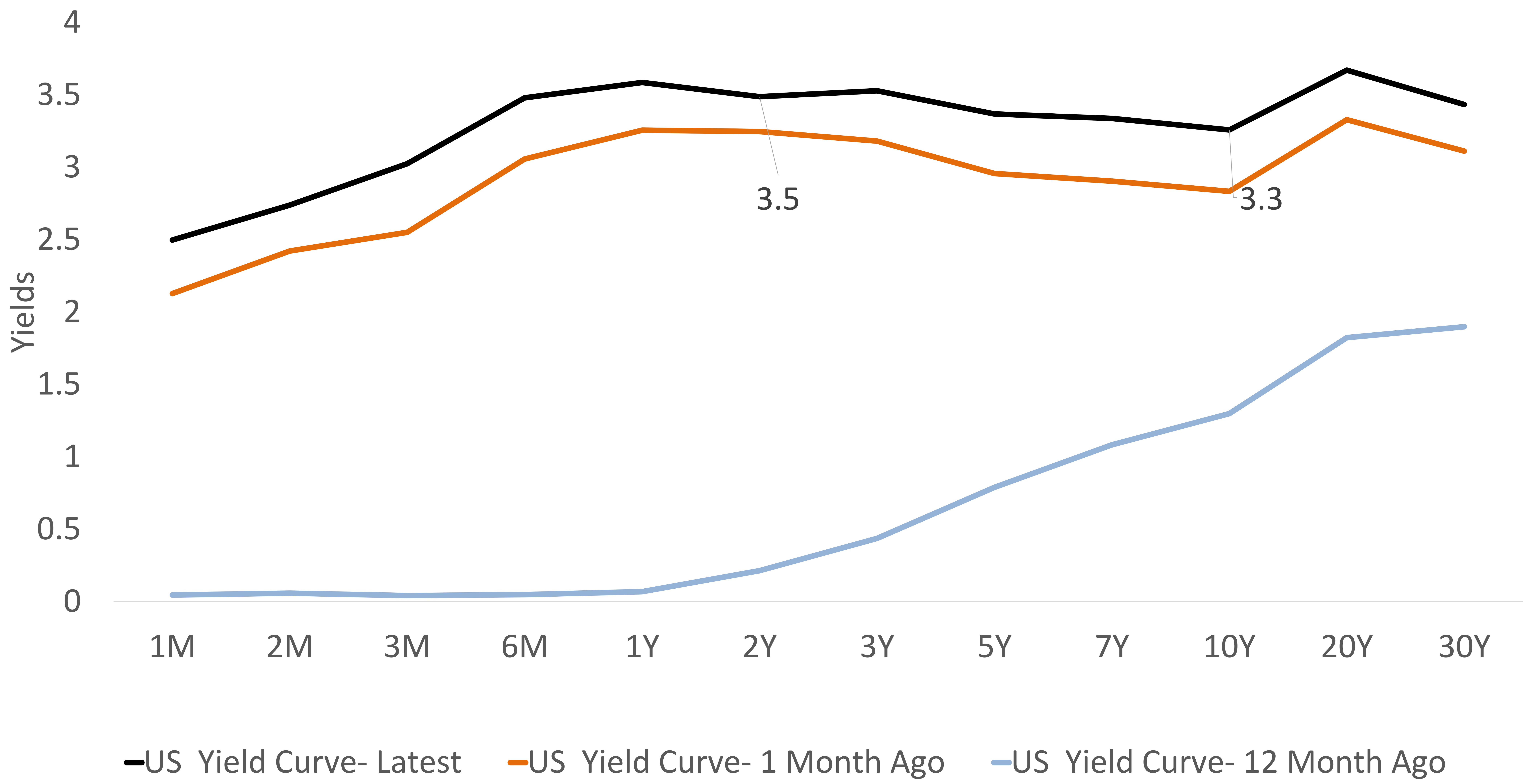
Reiterating our view from Navigator-June, 2022 , we have seen an uptick in short term yields whereas longer term yields have fallen.

We continue to believe that central bank hikes will be more visible on the shorter end of the curve while the longer term will see a moderation. Domestic liquidity is likely to be in surplus.

DSP

Source: CMIE, DSP, Latest Available Data as on Sep 09, 2022

US: Inverted Yield Curve



The yield curve in US remains inverted- signaling a scenario of recession. As of today, there's a marked slowdown seen in employment numbers, but services have remained resilient. The case for Fed rate hikes is weakening.

We believe Fed's guidance is likely to change in the coming policies.

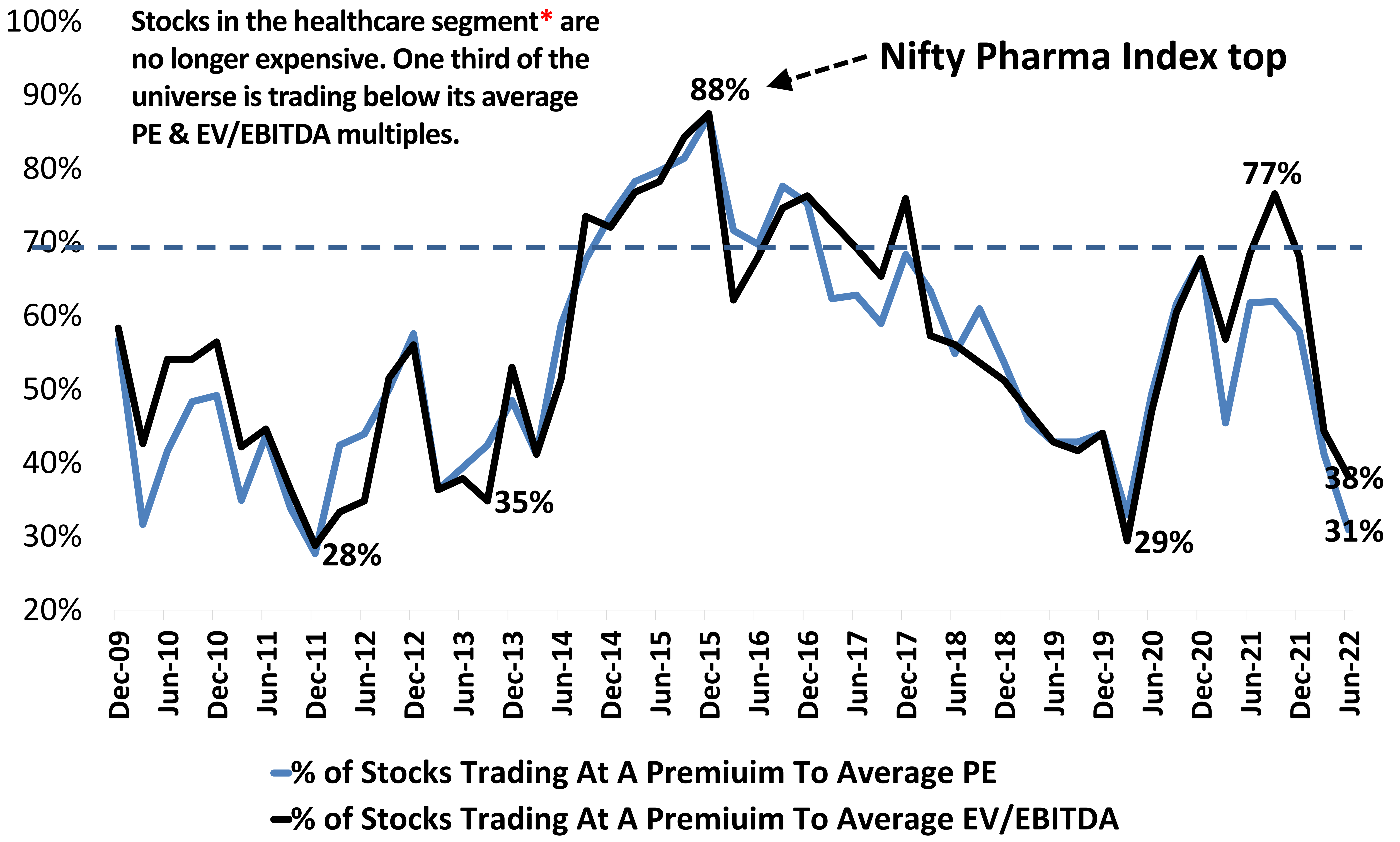
DSP

Source: CMIE, DSP, Latest Available Data as on Sep 09, 2022

Sectors: Linking Some Macro Trends

DSP

Healthcare: From Pharma, Hospitals To Pathlabs, Stocks Are Not Expensive



A study of nearly 100 pharma, hospital, API & CDMO players and path labs indicate that stocks in the healthcare segment are no longer expensive. Two third of the universe is trading below their past 13-year average Price to earnings and nearly similar number of companies are trading below their historical EV/EBITDA multiples.

Valuations are attractive and it is quite possible that this is an opportune time to scout for bottoms up opportunities in healthcare space with a time horizon of more than 3 years. Margin of safety is back.

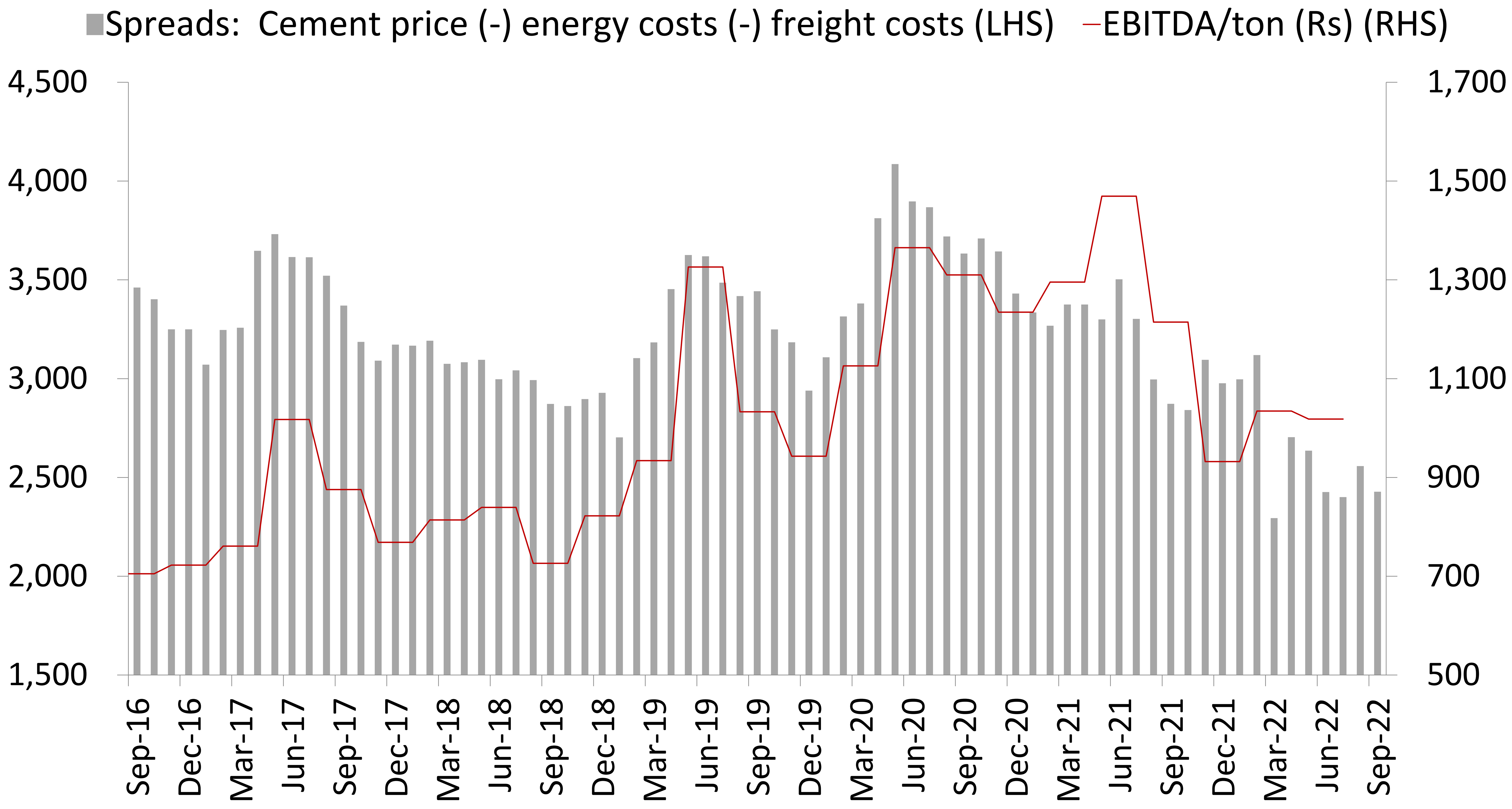
What do you own in healthcare? Read: Netra

*A universe of ~100 healthcare sector stocks with data beginning 2009 and ending 2022 has been taken.

DSP

Source: Spark, Bloomberg, DSP Data As on Aug 2022 API=Active Pharmaceutical Ingredient, CDMO= Contract Development and Manufacturing Company

Cement: Input Costs Easing A Big Positive



A surge in input costs have led to a squeeze on margins for cement sector companies. Coal & diesel cost inflation continues to remain a key area of concern for the sector.

Over the last many quarters the realizations have not grown and EBITDA/ton for the sector has declined.

However, the sector may see a reduction in headwinds if & when input prices ease. The cement stocks have seen large price correction recently and are still very volatile.

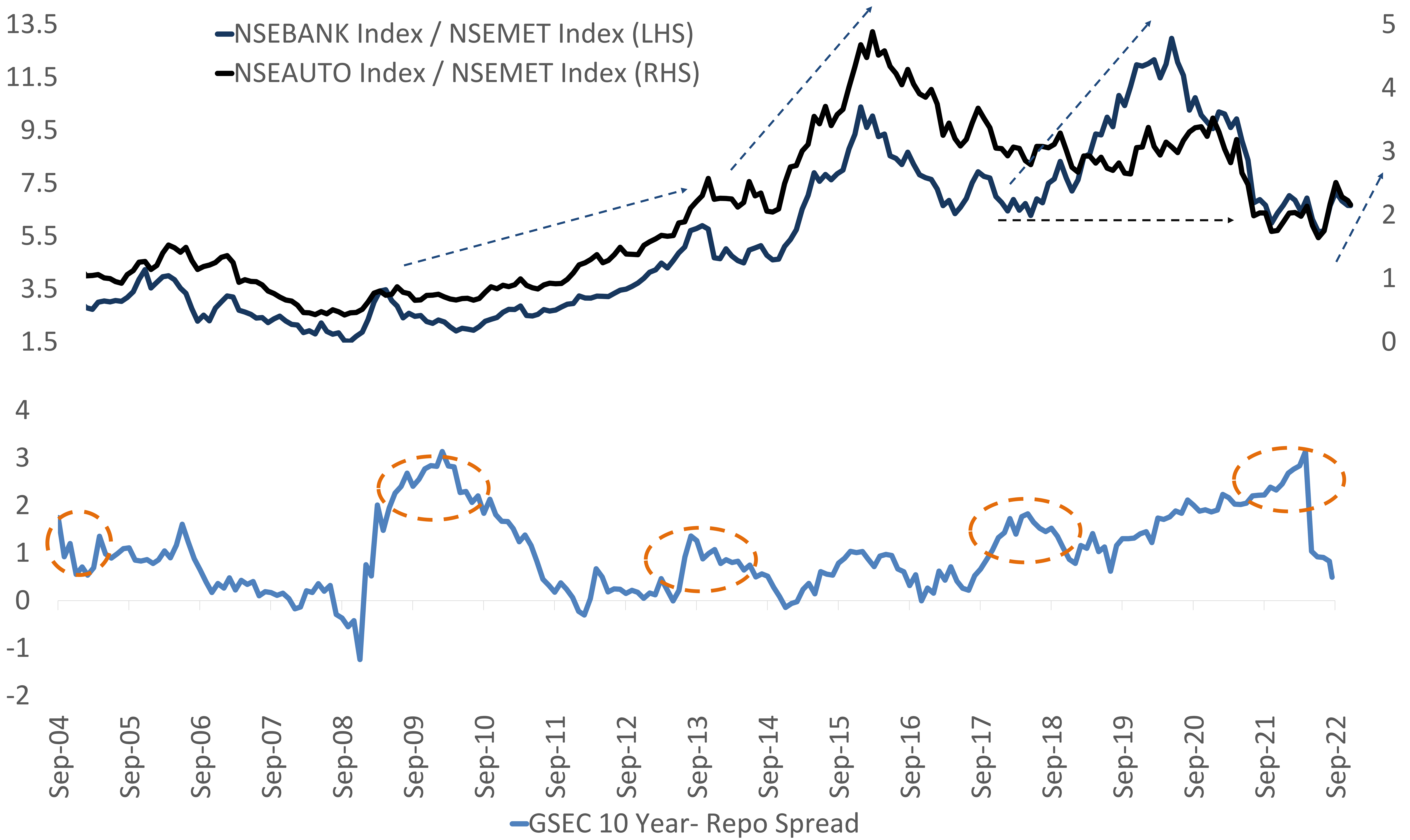
This could be a sector to watch out in H2 of 2022 with a focus on input price pressures and demand recovery for cement. Watch out!

Read: Netra

Source: Kotak Securities, DSP, Data as on Sep-22

DSP

Banks & Autos: The Story Continues



We argued in Navigator-June, 2022 that now is the time to own lenders (banks) over metals and users of commodities (auto) over producers of commodities (metals).

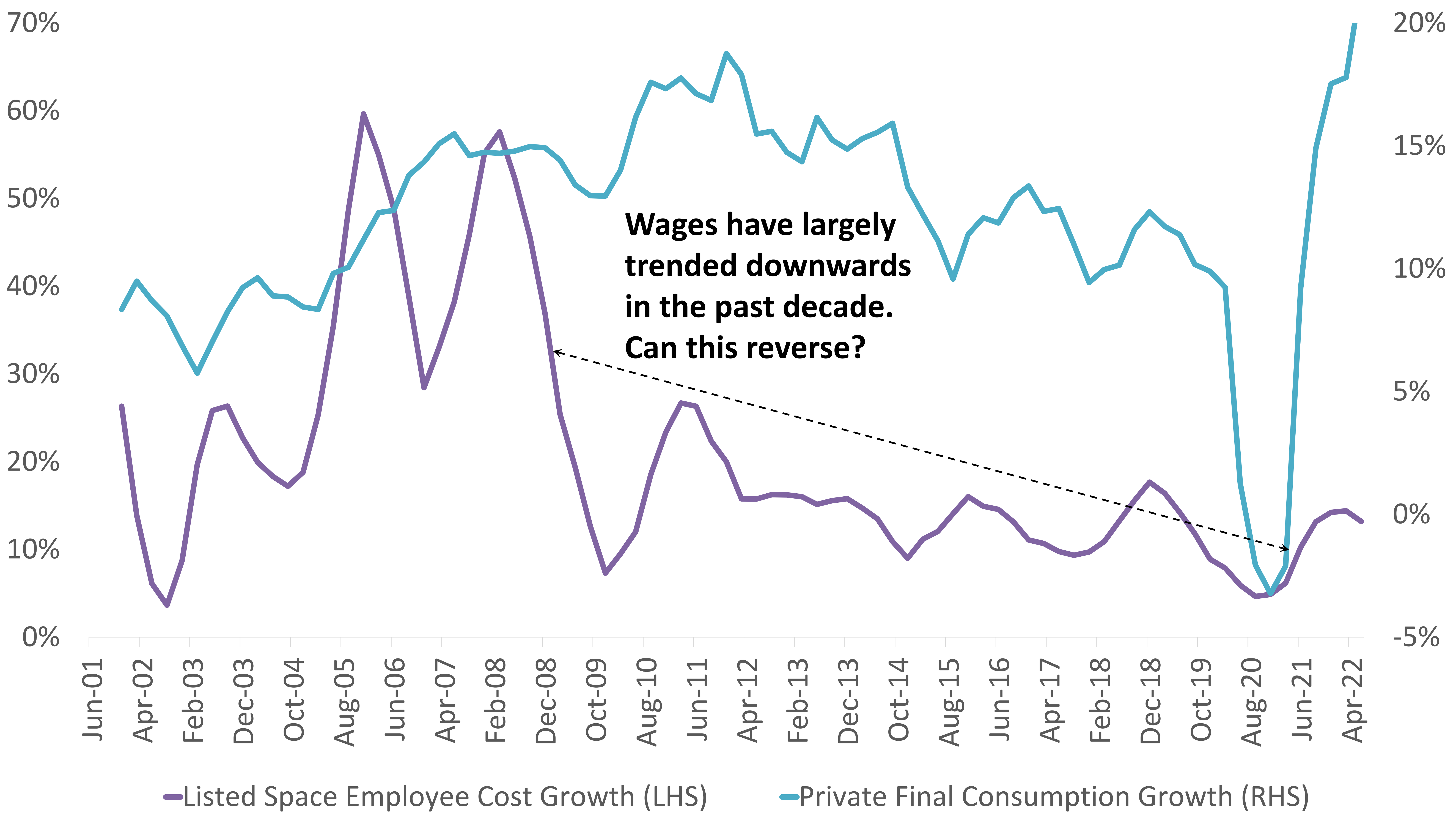
Our view has played out in the last months and our portfolios have gained from this trend.

The term premium has collapsed further giving more tailwinds to these sectors.

We remain bullish on autos & financials.

Source: Bloomberg, Data as on Sep-22

Higher Wages Spurt Consumption



Periods of high wage growth is followed by higher consumption spends. This disproportionately benefits durables and discretionary consumption. As highlighted in The Transcript, the employee costs are rising across sectors. High inflation feeds into wage expectations (wage-inflation spiral)

Can the current spiral fuel domestic consumption? We think so.

DSP

Source: DSP, Investec Research, Data as on Jun-22, Data is shown on 4 Quarter Moving Averages

Let’s sum it up.

Equity: Active Management To Capture The Next Sectoral Churn

- At DSP, we believe in pre-emptive strategies. Based on our screeners and our in-house knowledge of bottom up and top-down investing, we are executing some sectoral churn. **We continue to remain overweight on Banking and Financial Services, Autos and ancillaries, Healthcare & some construction materials. Additionally, we are exploring opportunities in sectors which will benefit from fall in energy/input prices- cement, tiles and garment exporters**

- **Within equities, we are choosing domestic growth-oriented sectors over exports-oriented sectors.** We believe that Emerging economies have more opportunity ahead of them as developed economies slow. Additionally, within Emerging economies India becomes a favorable bet as other Emerging Markets(EMs) (Russia sanctions, China slowdown etc) have worsening fundamentals.

- Each of our Fund Manager deploys a rigorous framework to pick up the most profitable companies and we urge the investors to read our frameworks and style of investing.

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.

Fixed Income: Ahead Of The Curve

- Our base case view remains that barring any event risk, yields would gravitate higher.

- **But there is an event risk in horizon:** We are looking at once in a blue moon event. **If the global bond inclusion occurs, then the bonds will rally. The bond inclusion will lead to new demand from FPI. The capital inflows will abate currency tail risks. We have always believed that when demand/supply plays out – it can lead to large whiplash movements in yields.**

- **How do we want to play in our funds?** So far, we had been advising clients to invest up to 33% in longer duration products. **Thus, most of our funds were running duration at 1/3rd the regulatory boundaries. With the event risk of the global bond inclusion, we prefer to add duration in our funds throughout September.** We expect (and advise) to invest around 50% in longer duration products. In case the bond inclusion occurs, the fall in yields will be sharp and swift. In case it does not occur, we would exit the longer duration (back to our original 33% levels) and play for our base case – gradual rise in yields. In case the yields fall sharply before the inclusion announcement (7 percent in 10Y), we will again move back to our 33% duration boundary – as large part of run up of the yields would have occurred.

- **Read more on-Converse: Monthly Fixed Income Update**

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.

Commodities: Price Pressure To Ease

- Commodity prices are seeing a moderation largely because three large economies – US, EU and China – are either slowing or are already witnessing slow economic growth. In fact parts of EU may already be in a recession. Similarly the 'Goods' part of US economy may also be in a recession as we speak. The US Manufacturing PMI has been in a contractionary phase indicating stress. **This means demand for hard commodities is softening and wanning. Expect commodities like Base metals and agricultural commodities to remain in a broad consolidation but in a down ward sloping trajectory**

- **Energy prices continue to remain stubbornly high though there has been a decline in Crude Oil price**s. Petroleum products prices have also cooled between 20% to 30% and provides some comfort. But they still remain high from historical standards. Natural Gas prices continue to remain high and at uncomfortable levels in most developed economies. Recent uptick in coal and iron ore price in Asia also indicates continued stickiness in energy complex. But slower growth in most countries makes high energy prices unsustainable. **Our data on demand and supply dynamics suggest that energy prices will likely cool over the next 6 months along with a slowdown in developed economies. This trend may benefit commodity importers which can see through a downtick in their exports revenues**

- Precious metals are likely to benefit from easing of dollar, when it happens

- In conclusion, **expect commodity price pressure to ease as we approach Q1 of CY2023.**

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.

How To Play The Recommended Strategies?

Asset Allocation: Our recommendation

Risk Appetite	Equity Allocation
Conservative	20%
Moderate	50%
Aggressive	60%

DSP

Conservative Strategy

Portfolio: Conservative

Asset Class	Category	Fund	Allocation
Equity 20%	Large Cap	DSP Nifty 50 Equal Weight Index Fund	10%
	Flexi cap	DSP Flexi Cap Fund	10%
Alternate & Hybrid 15%	Alternate	DSP World Gold Fund	5%
	Hybrid	DSP Equity Savings Fund	10%
Debt 65%	Money Market	DSP Savings Fund	20%
	Short Duration	DSP Short Term Fund	20%
	Dynamic Bond	DSP Strategic Bond Fund	25%

DSP

Moderate Strategy

Portfolio: Moderate

Asset Class	Category	Fund	Allocation
Equity 50%	Large and Mid Cap	DSP Equity Opportunities Fund	15%
	Midcap	DSP Mid Cap Fund	10%
	Thematic	DSP India T.I.G.E.R. Fund	5%
	Strategic	DSP Value Fund	20%
Alternate & Hybrid 10%	Alternate	DSP Global Innovation Fund of Fund	2.5%
	Hybrid	DSP Equity Savings Fund	7.5%
Debt 40%	Money Market	DSP Savings Fund	5%
	Short Duration	DSP Short Term Fund	10%
	Dynamic Bond	DSP Strategic Bond Fund	5%
	Target Maturity Fund	DSP Nifty SDL Plus G-Sec Jun 2028 30:70 Index Fund	20%

DSP

Aggressive Strategy

Portfolio: Aggressive

Asset Class	Category	Fund	Allocation
Equity 60%	Flexi cap	DSP Flexi Cap Fund	25%
	Mid cap	DSP Mid Cap Fund	10%
	Small cap	DSP Small Cap Fund	10%
	Thematic	DSP India T.I.G.E.R. Fund	5%
	Thematic	DSP Healthcare Fund	10%
Alternate & Hybrid 15%	Alternate	DSP Global Innovation Fund of Fund	10%
	Hybrid	DSP Dynamic Asset Allocation Fund	5%
Debt 25%	Gilt	DSP Government Securities Fund	5%
	Target Maturity Fund	DSP Nifty SDL Plus G-Sec Jun 2028 30:70 Index Fund	10%
	Gilt with 10-Year Constant Duration	DSP 10Y G-Sec Fund	10%

DSP

Passive Strategy

Portfolio: Passive- Moderate

Asset Class	Category	Fund	Allocation
Equity 50%	Large cap	DSP Nifty 50 Equal Weight Index Fund	25%
	Thematic	DSP Quant Fund	10%
	Mid cap	DSP Nifty Midcap 150 Quality 50 Index Fund	15%
Alternate & Hybrid 10%	Alternate	DSP Silver ETF	10%
Debt 40%	Target Maturity Fund	DSP Nifty SDL Plus G-Sec Jun 2028 30:70 Index Fund	20%
	Gilt with 10-Year Constant Duration	DSP 10Y G-Sec Fund	10%
	Money Market	DSP Savings Fund	10%

DSP

…And Some Fun Recommendations

What we liked:

- Book: How The World Really Works?
- Podcast: Howard Marks and his son Andrew Marks on 'Acquired' podcast
- Article: How scientists discovered that one-size diets don't fit all

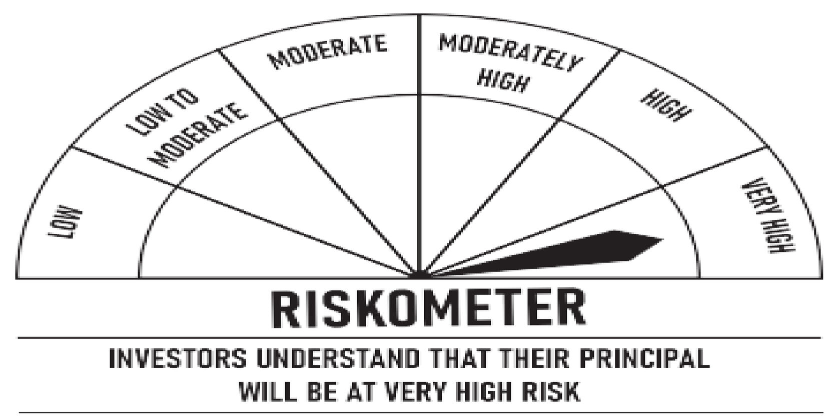
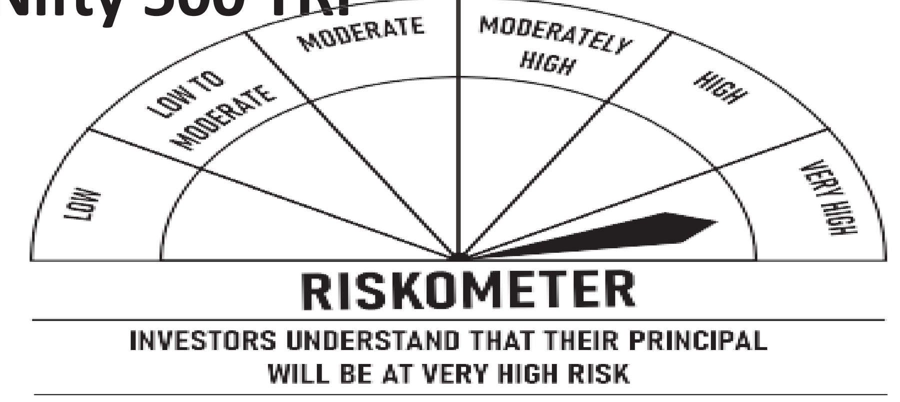
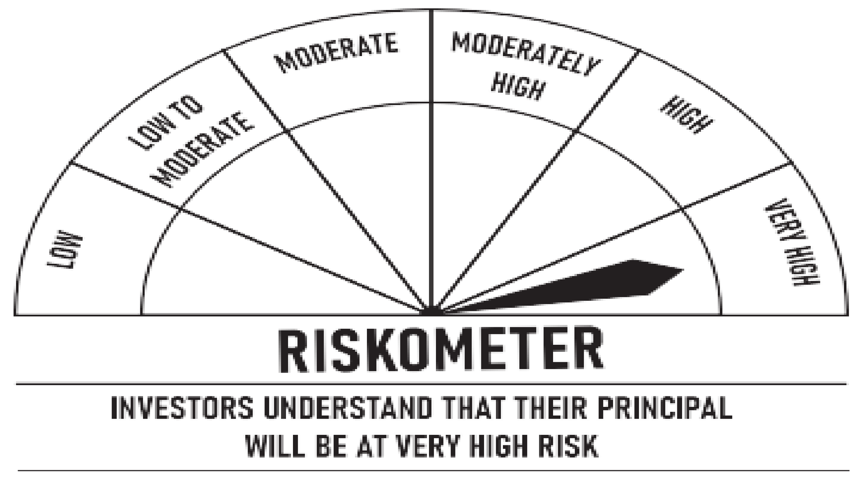
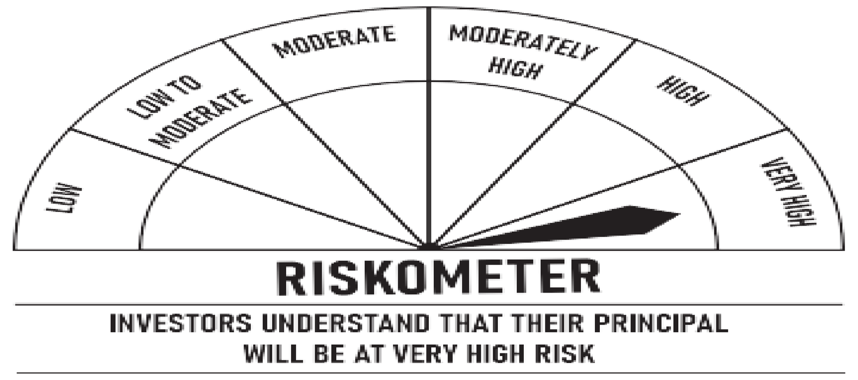
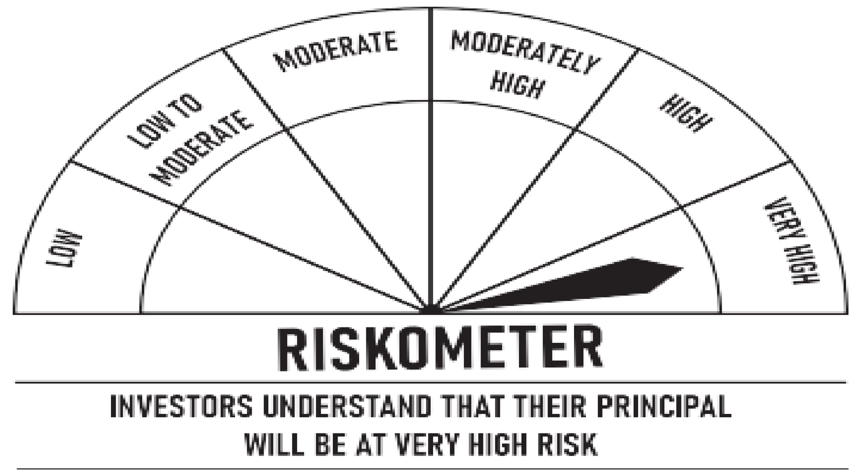
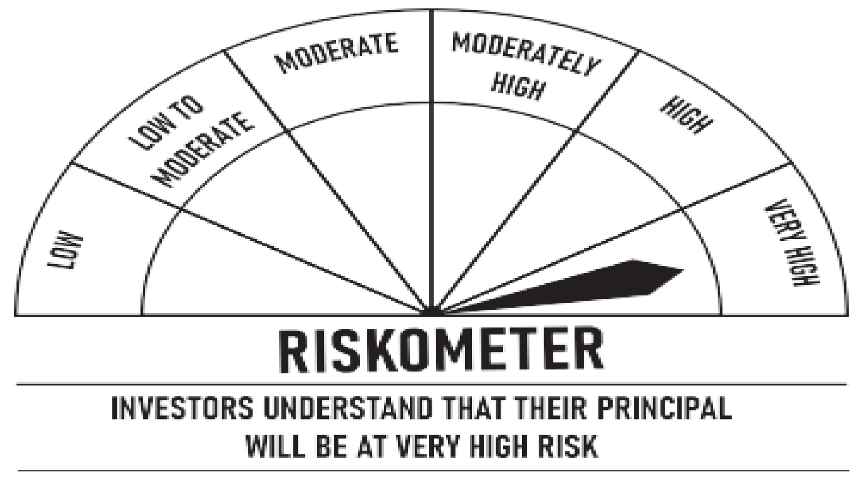
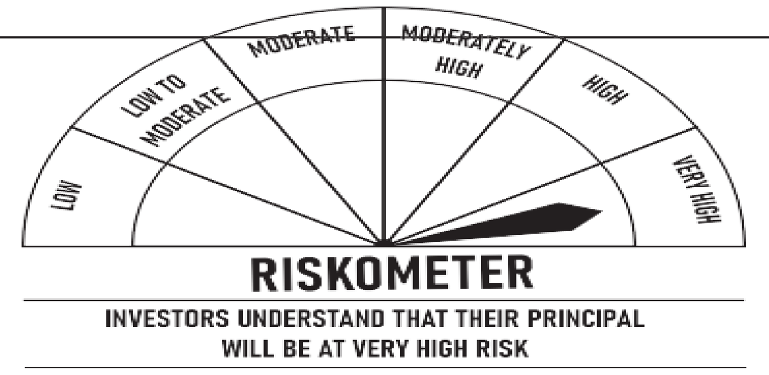
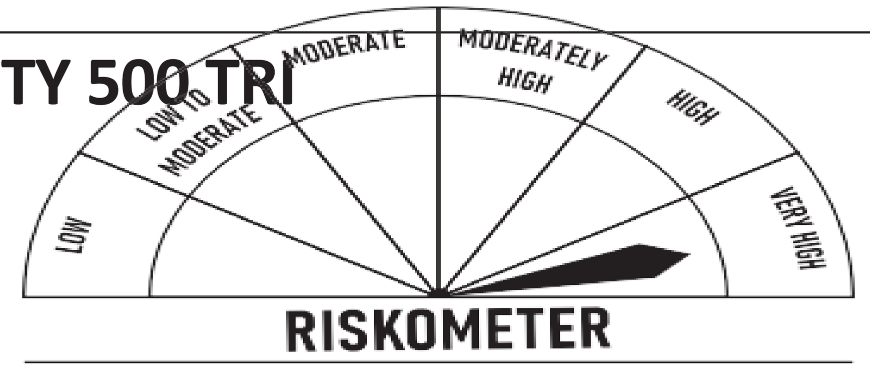
Our in-house creations:

- Arjava: Deep-dive into Vinit Sambre's Framework
- DSP Value Fund: DSP Value Fund: Can It Add Value to Your Money?
- Emotions of Money: Life Lessons from a Taxi Driver: Short Films by DSP

"Two little mice fell in a bucket of cream. The first mouse quickly gave up and drowned. The second mouse, wouldn't quit. He struggled so hard that eventually he churned that cream into butter and crawled out"- ***Catch me if you can.***

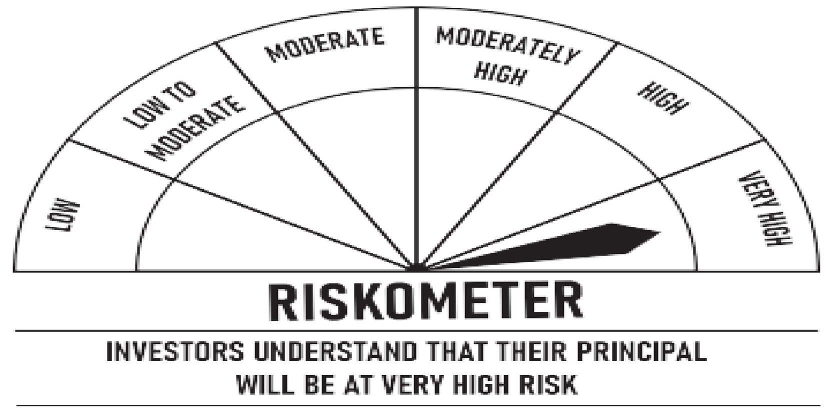
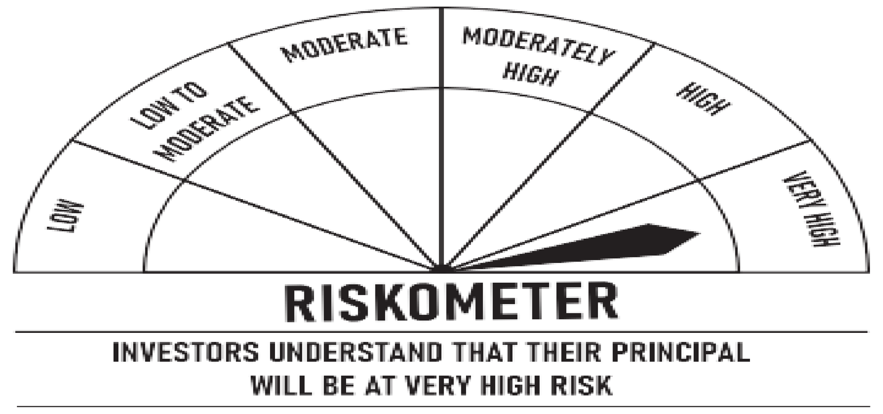
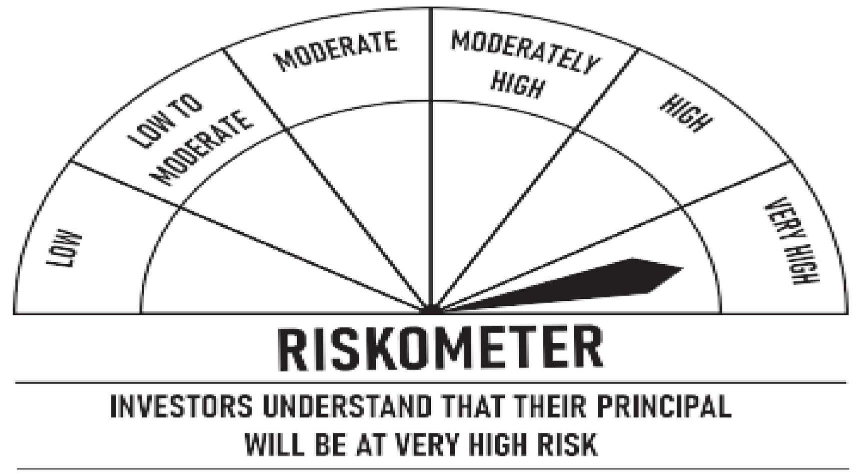
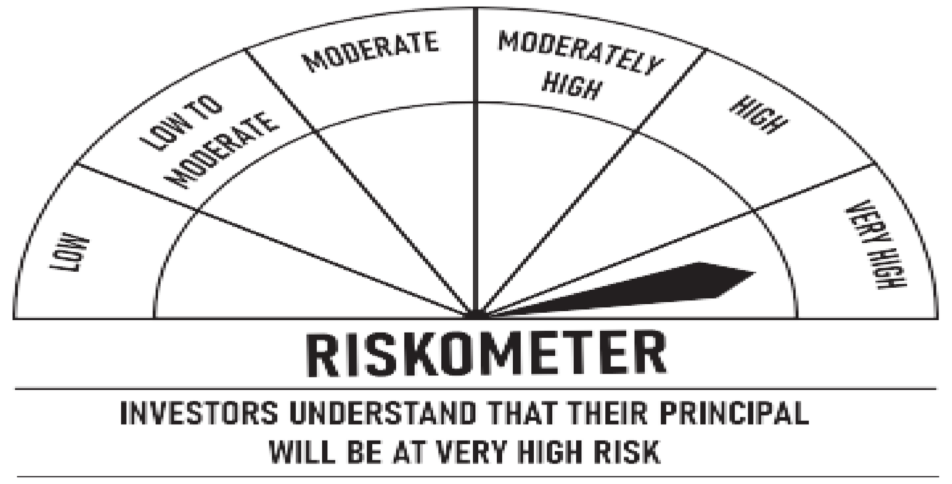
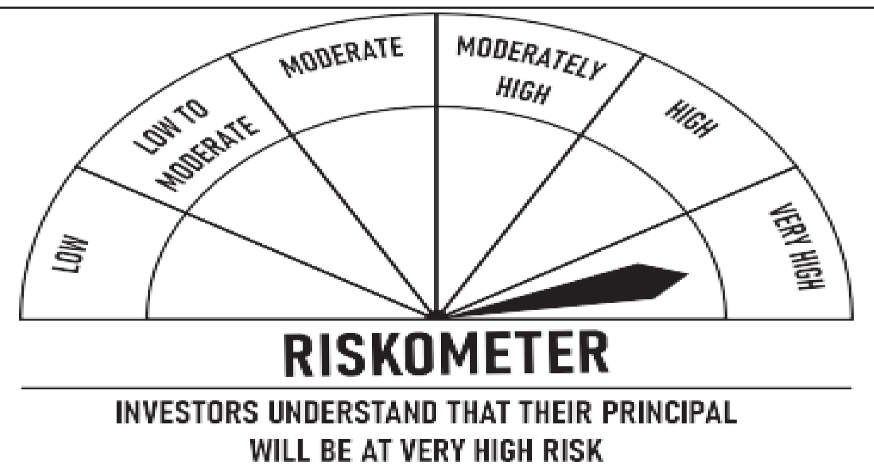
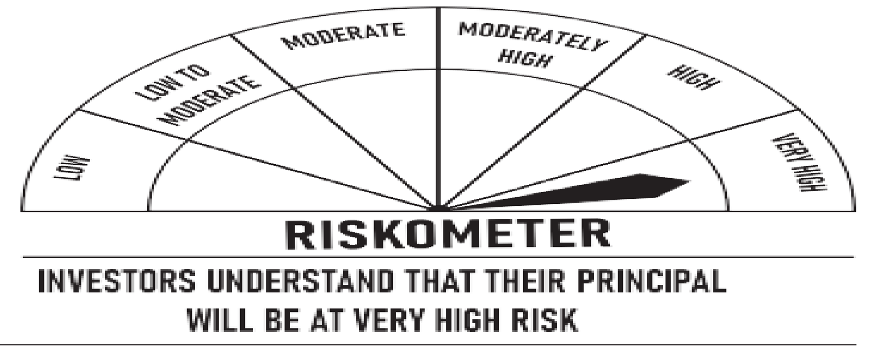
A successful investor is always the second mouse.

Product labelling & Riskometer

Scheme	Product Suitability	SCHEME	BENCHMARK
DSP Flexi Cap Fund (Flexi Cap Fund - An open ended dynamic equity scheme investing across large cap, mid cap, small cap stocks)	The Open Ended Equity Scheme is suitable for investors who are seeking* •Long-term capital growth •Investment in equity and equity-related securities to form a diversified portfolio		Nifty 500 TRI 
DSP Small Cap Fund (Small Cap Fund - An open ended equity scheme predominantly investing in small cap stocks)	The Open ended equity scheme is suitable for investors who are seeking* •Long-term capital growth •Investment in equity & equity-related securities predominantly of small cap companies (beyond top 250 companies by market capitalization)		S&P BSE 250 Small Cap TRI 
DSP India T.I.G.E.R. Fund (The Infrastructure Growth & Economic Reforms Fund) (An open ended equity scheme following economic reforms and/or infrastructure development theme)	This Scheme is suitable for investors who are seeking* •Long-term capital growth •Investment in equity & equity-related securities of corporates, which could benefit from structural changes brought about by continuing liberalization in economic policies by the Govrnment and/or from continuing investments in infrastructure, both by the public and private sector		S&P BSE 100 TRI 
DSP Value Fund (Open Ended equity scheme following a value investment strategy)	This product is suitable for investors who are seeking to generate:* •Generate long-term capital appreciation / income in the long term •Investment primarily in undervalued stocks		NIFTY 500 TRI 

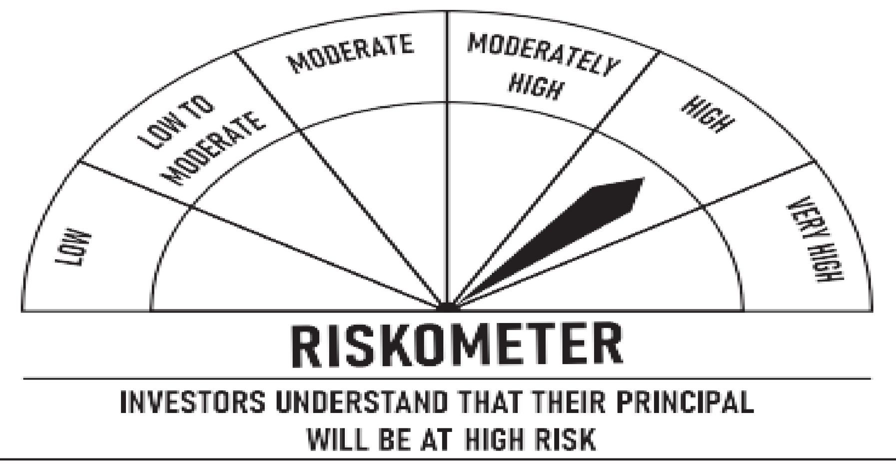
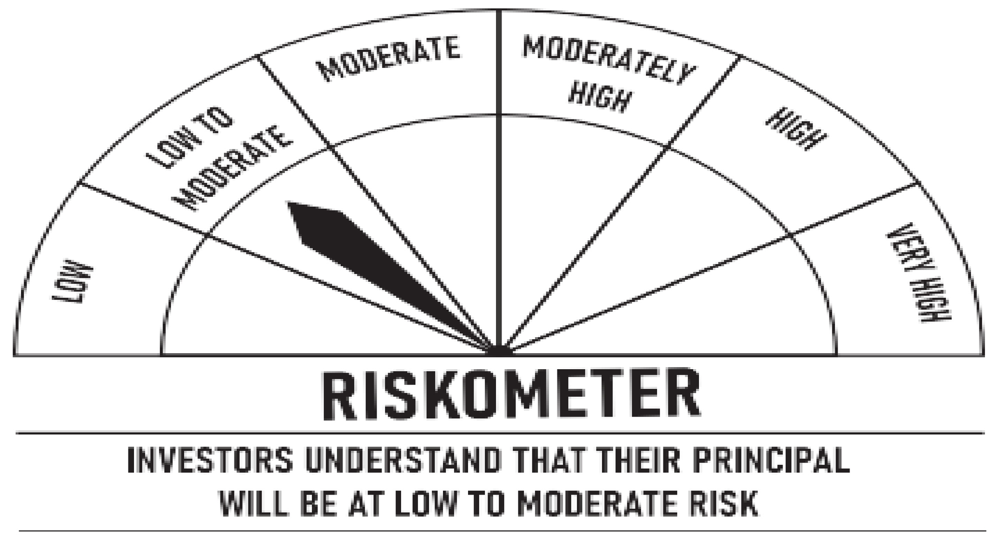
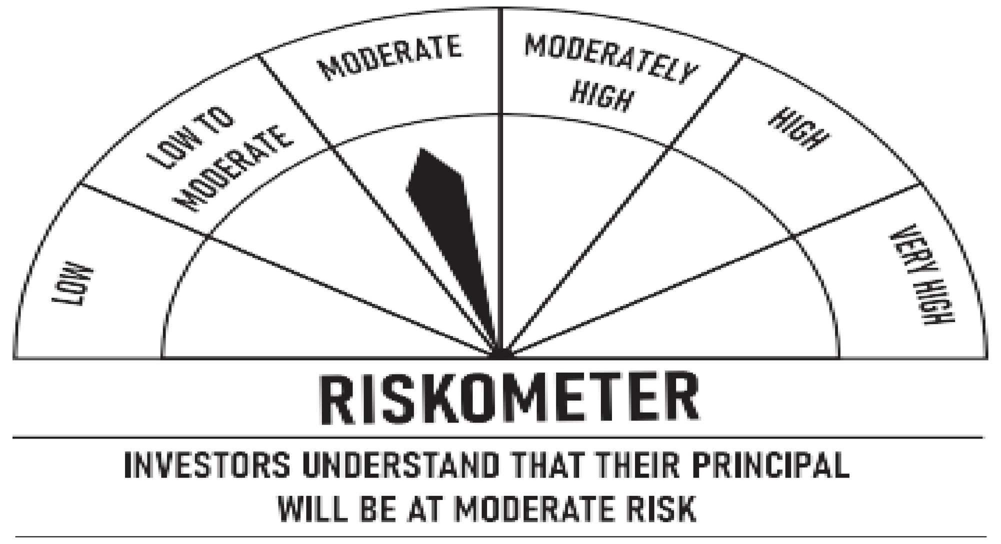
*Investors should consult their financial advisors if in doubt about whether the scheme is suitable for them.

Product labelling & Riskometer

Scheme	Product Suitability	SCHEME	BENCHMARK
DSP Mid Cap Fund (Mid Cap Fund-An open ended equity scheme predominantly investing in mid cap stocks)	The Open ended equity scheme is suitable for investors who are seeking* •Long-term capital growth •Investment in equity & equity-related securities predominantly of midcap companies		**Nifty Midcap 150 TRI** 
DSP Equity Opportunities Fund (Large & Mid Cap Fund-An open ended equity scheme investing in both large cap and mid cap stocks)	The Open ended equity scheme is suitable for investors who are seeking* •Long-term capital growth •Investment in equity & equity-related securities predominantly of large and midcap companies		**NIFTY Large Midcap 250 TRI** 
DSP Healthcare Fund (An open ended equity scheme investing in healthcare and pharmaceutical sector)	The Open ended equity scheme is suitable for investors who are seeking* •Long-term capital growth •Investment in equity & equity related Securities of healthcare and pharmaceutical companies		**S&P BSE Healthcare TRI** 

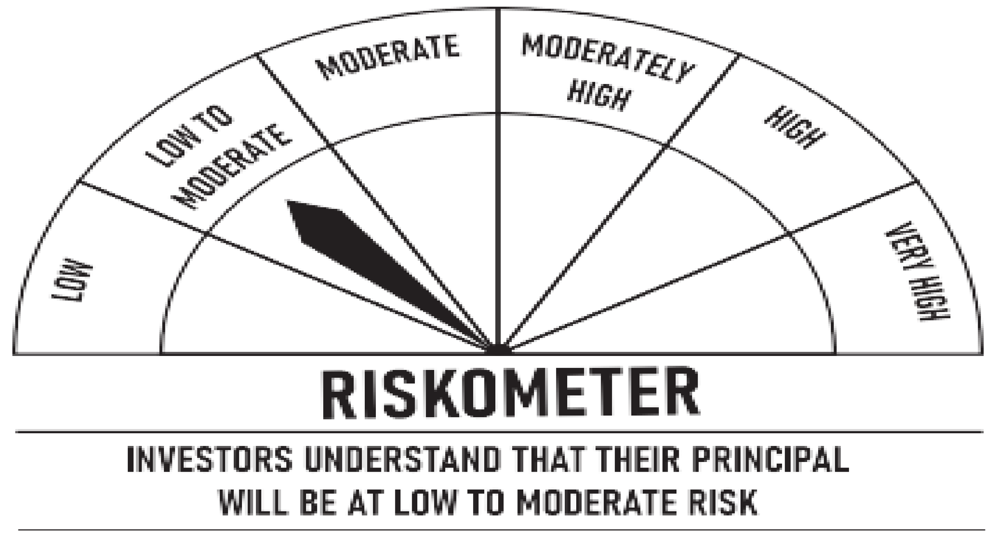
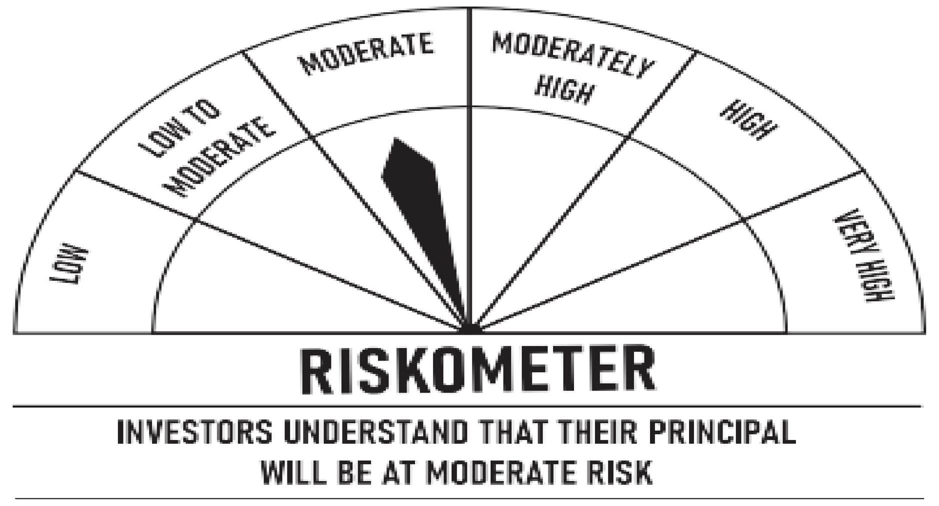
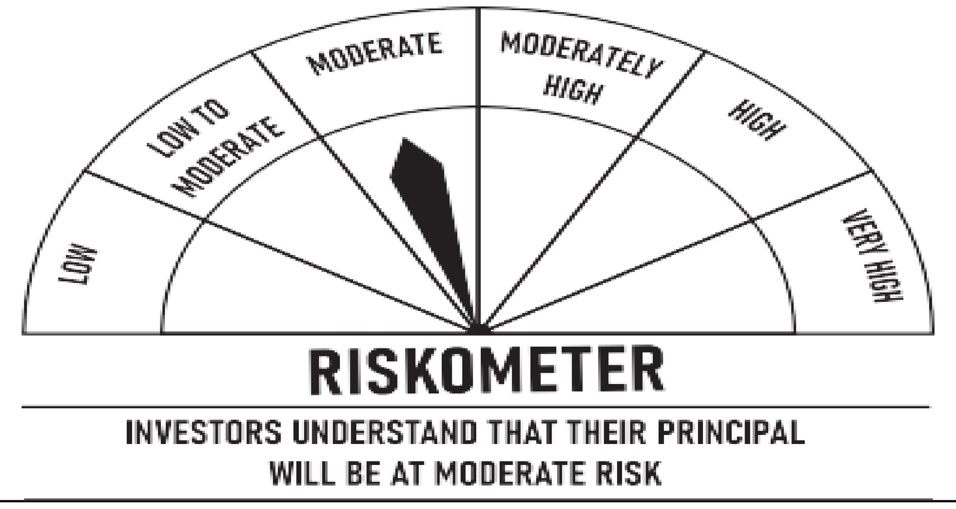
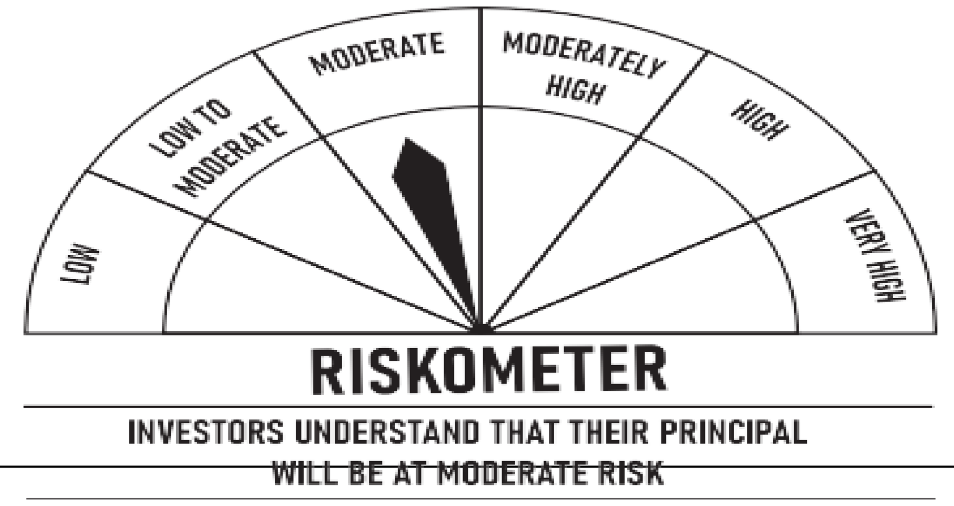
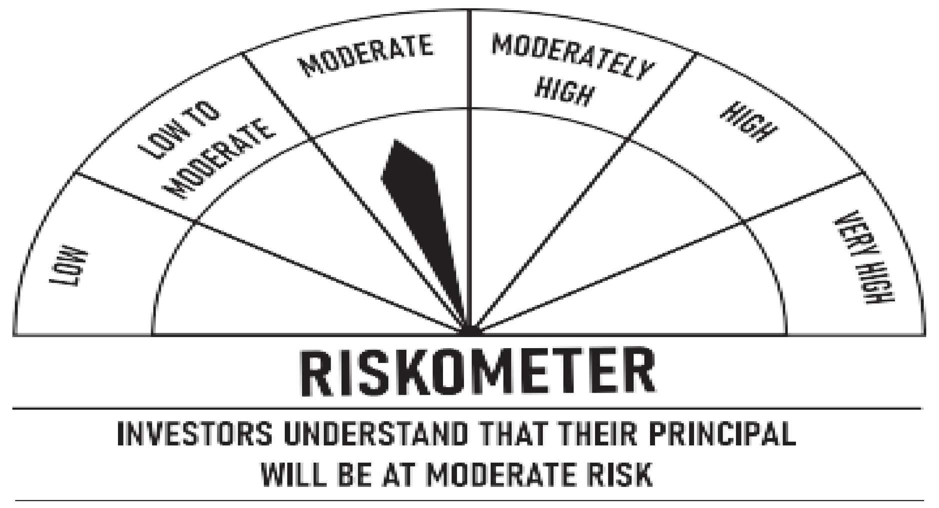
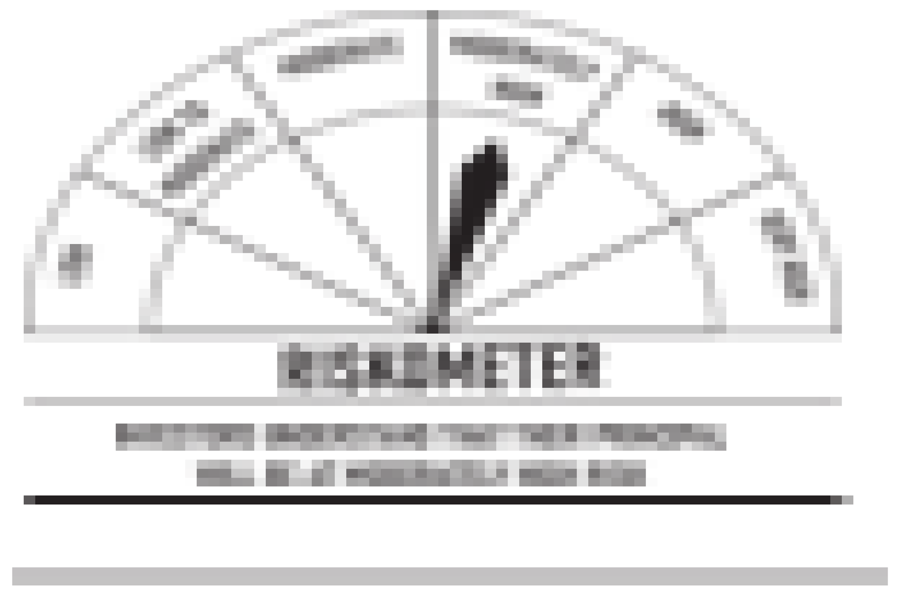
*Investors should consult their financial advisors if in doubt about whether the scheme is suitable for them.

Product labelling & Riskometer

Scheme	Product Suitability	SCHEME	BENCHMARK
DSP Dynamic Asset Allocation Fund (An open ended dynamic asset allocation fund)	This scheme 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 
DSP Savings Fund (An open ended debt scheme investing in money market instruments. A relatively low interest rate risk and moderate credit risk.)	The Open ended money market mutual fund scheme in income category is suitable for investors who are seeking* •Income over a short-term investment horizon •Investment in money market instruments with maturityless than or equal to 1 year		CRISIL Money Market Fund BI Index 
DSP Nifty SDL Plus G-Sec Jun 2028 30:70 Index Fund An open ended target maturity index fund investing in the constituents of Nifty SDL Plus G-Sec Jun 2028 30:70 Index. A relatively high interest rate risk and relatively low credit risk.	This scheme is suitable for investor who are seeking* •Income over long term •An open ended target maturity index fund that seeks to track the performance of Nifty SDL Plus G-Sec Jun 2028 30:70 Index, subject to tracking error.		Nifty SDL Plus G-Sec Jun 2028 30:70 Index 

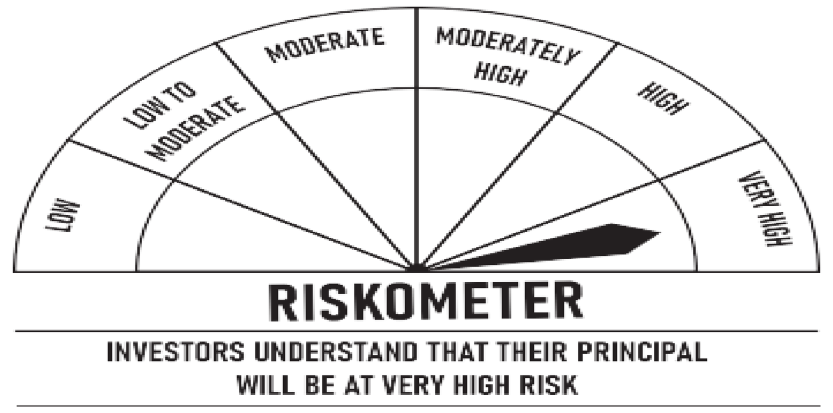
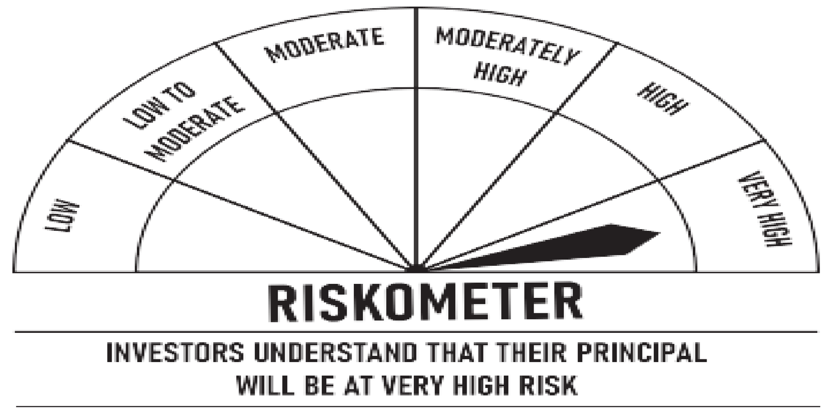
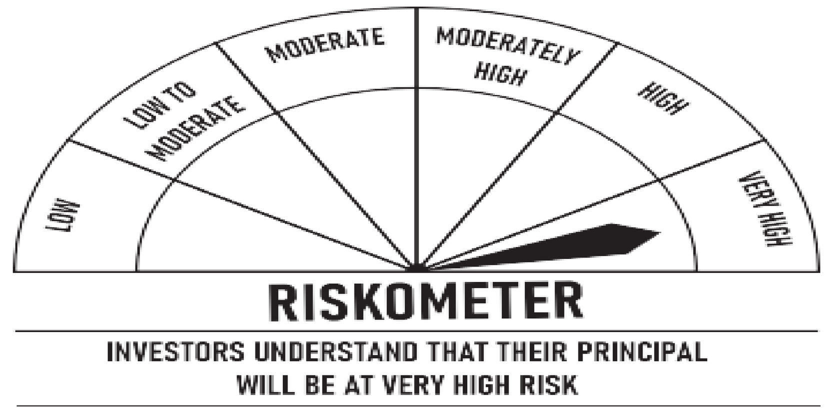
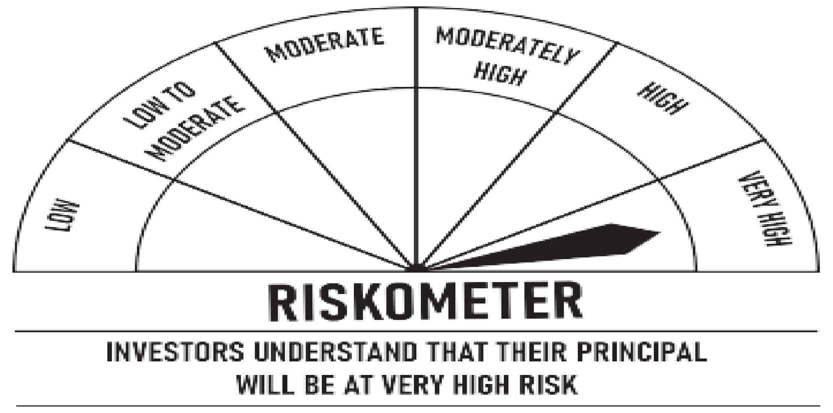
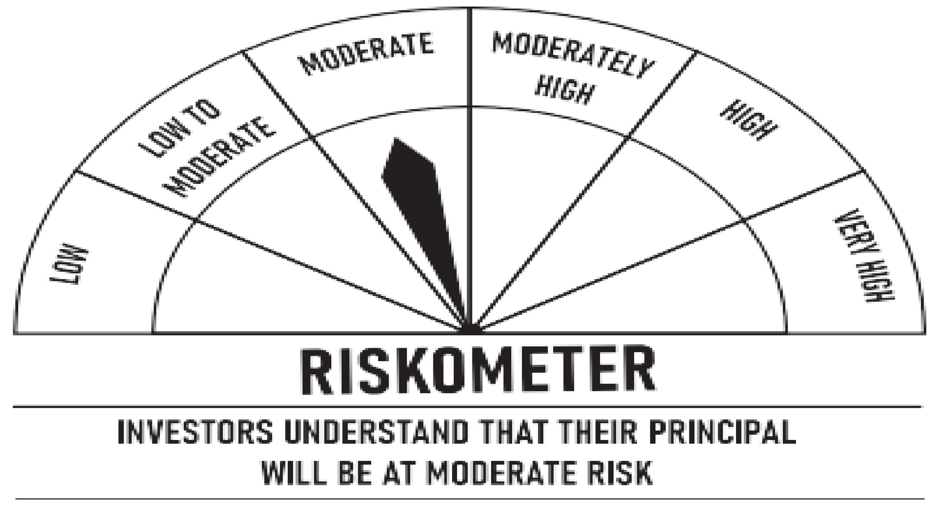
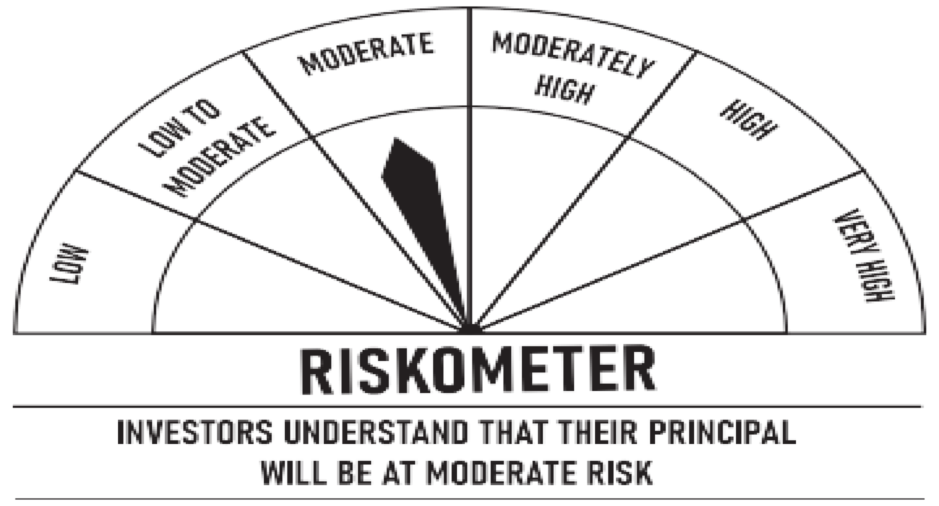
*Investors should consult their financial advisors if in doubt about whether the scheme is suitable for them.

Product labelling & Riskometer

Scheme	Product Suitability	SCHEME	BENCHMARK
DSP Short Term Fund (An open ended short term debt scheme investing in debt and money market securities such that the Macaulay duration of the portfolio is between 1 year and 3 years (please refer page no. 19 under the section "Where will the Scheme invest?" for details on Macaulay's Duration. A moderate interest rate risk and relatively low credit risk.)	This Scheme is suitable for investors who are seeking* •Income over a medium-term investment horizon •Investment in money market and debt securities		**CRISIL Short Duration Fund AII Index** 
DSP Government Securities Fund (An open ended debt scheme investing in government securities across maturity. A relatively high interest rate risk and relatively low credit risk.)	The Open ended income scheme is suitable for investors who are seeking* •Income over a long-term investment horizon •Investment in Central government securities		**CRISIL Dynamic Gilt Index** 
DSP Strategic Bond Fund An open ended dynamic debt scheme investing across duration. A relatively high interest rate risk and moderate credit risk.	The Open ended income scheme 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 Fund BIII Index** 

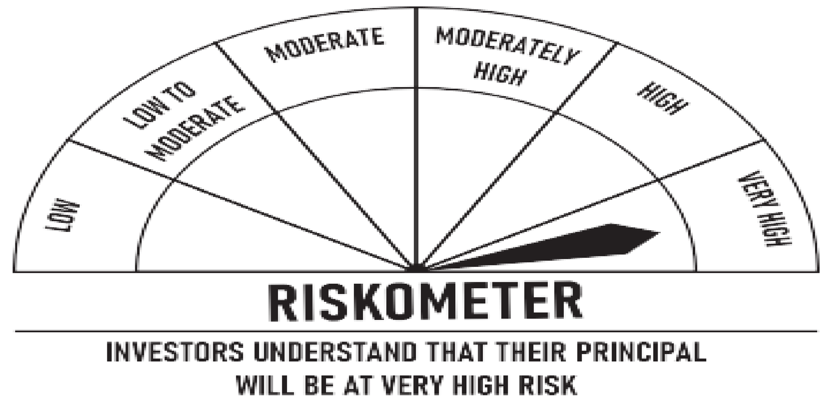
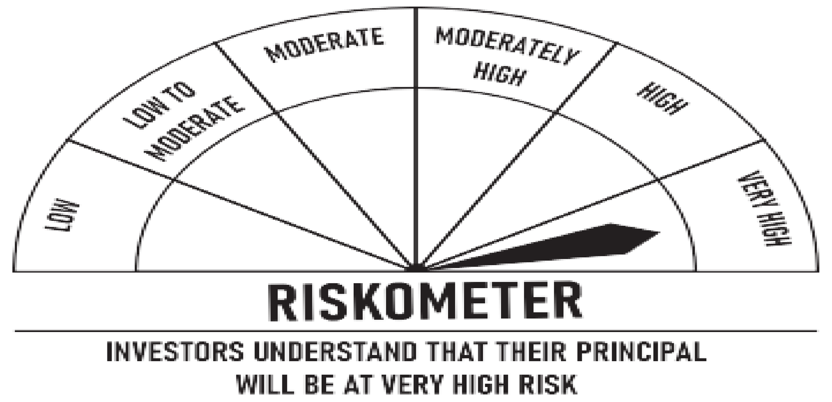
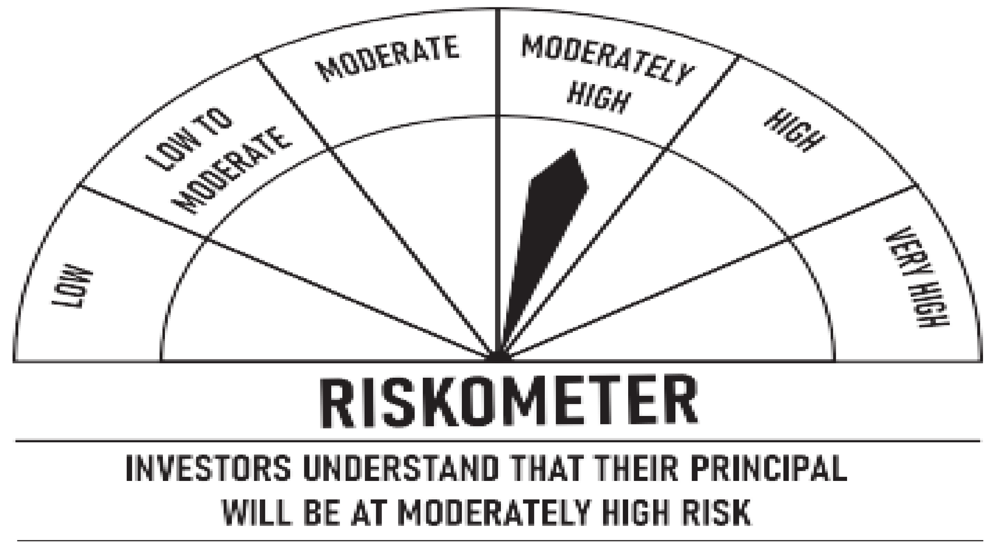
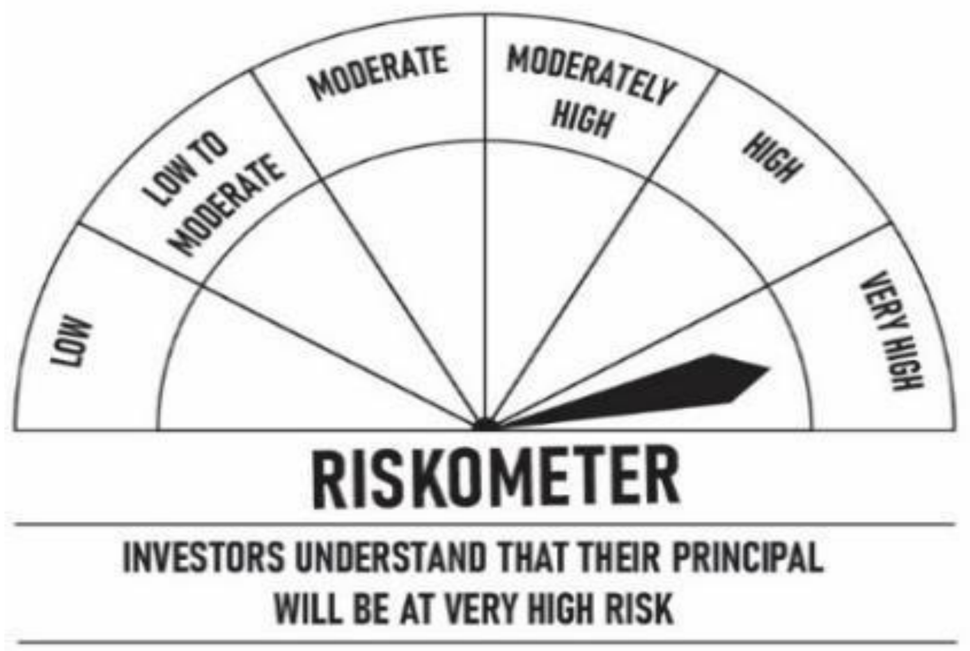
*Investors should consult their financial advisors if in doubt about whether the scheme is suitable for them.

Product labelling & Riskometer

Scheme	Product Suitability	SCHEME	BENCHMARK
DSP World Gold Fund (An open ended fund of fund scheme investing in Global Funds - World Gold Fund (BGF - WGF)	This Open-ended Fund of Funds Scheme is suitable for investors who are seeking* •Long-term capital growth •Investment in units of overseas funds which invest primarily in equity and equity related securities of gold mining companies		**FTSE Gold Mine TR (In INR Terms)** 
DSP Quant Fund (Open Ended Equity Scheme investing based on a quant model theme)	This Open-ended equity scheme e 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 predefined fundamental factor model		**S&P BSE 200 TRI** 
DSP 10Y G-Sec Fund (Open ended debt scheme investing in government securities having a constant maturity of 10 years. A relatively high interest rate risk and relatively low credit risk.)	This Scheme is suitable for investors who are seeking* •Income over a long-term investment horizon •Investment in Government securities such that the Macaulay duration of the portfolio is similar to the 10 Years benchmark government security		**CRISIL 10 Year Gilt Index** 

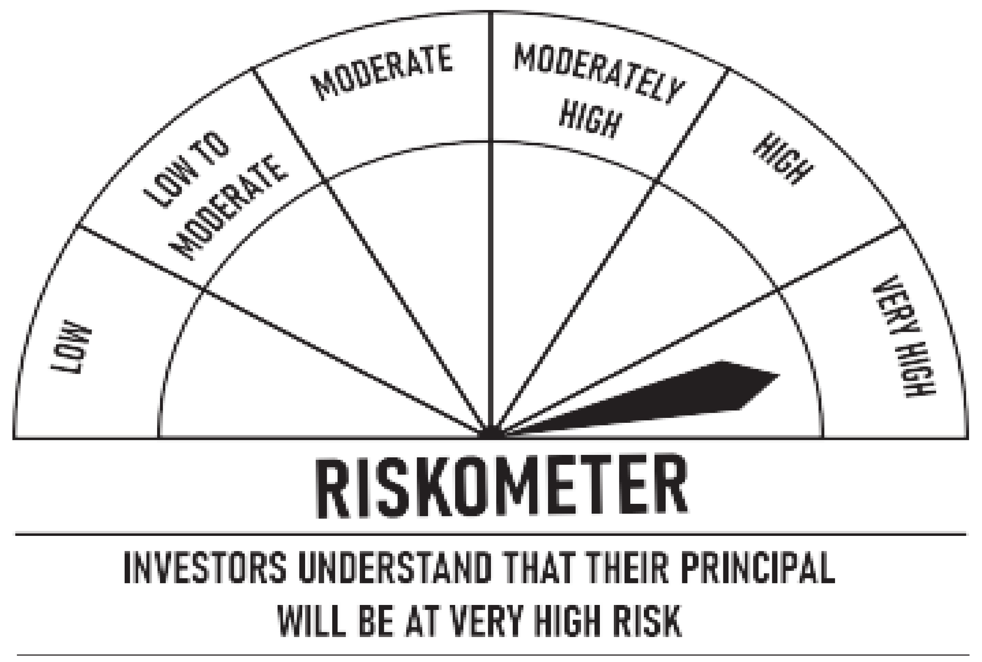
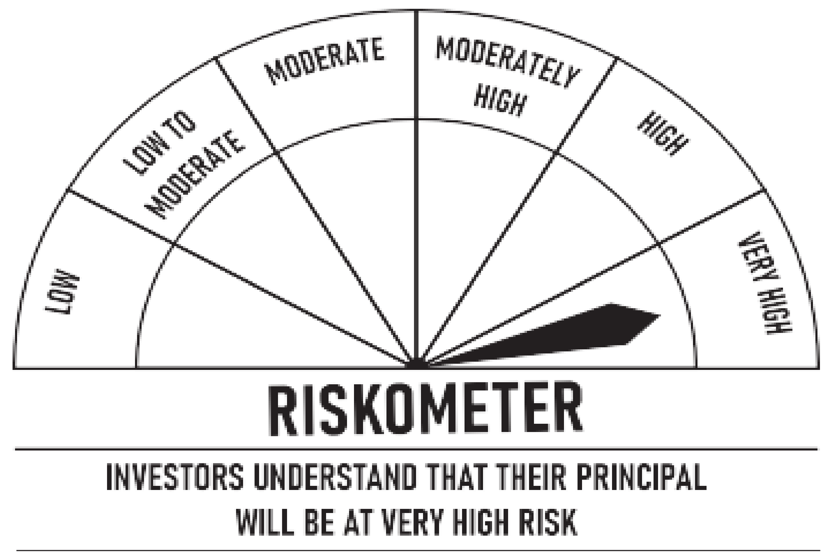
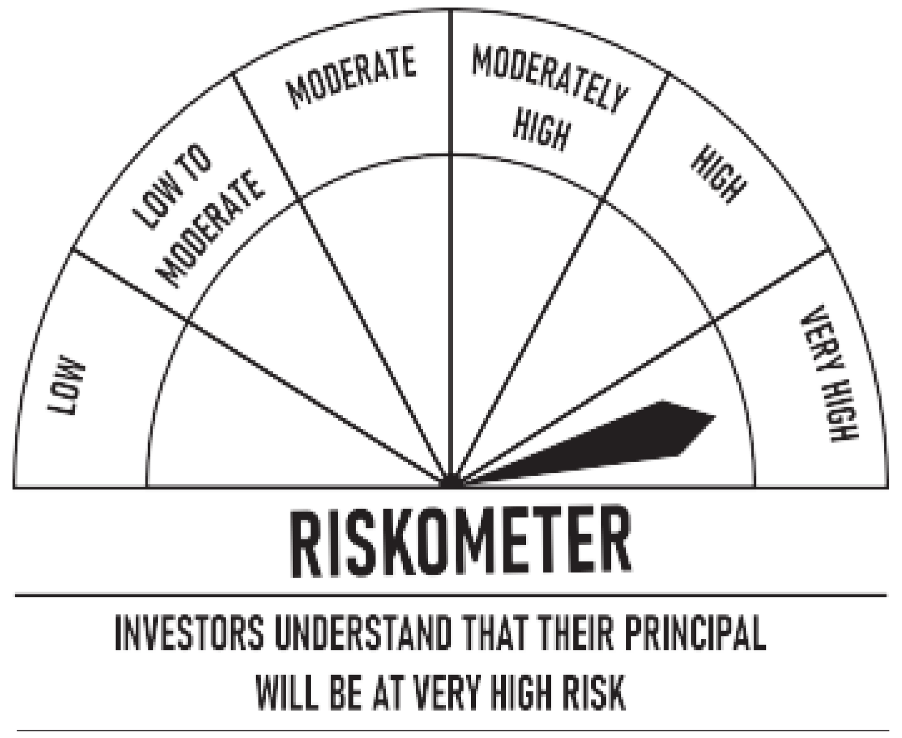
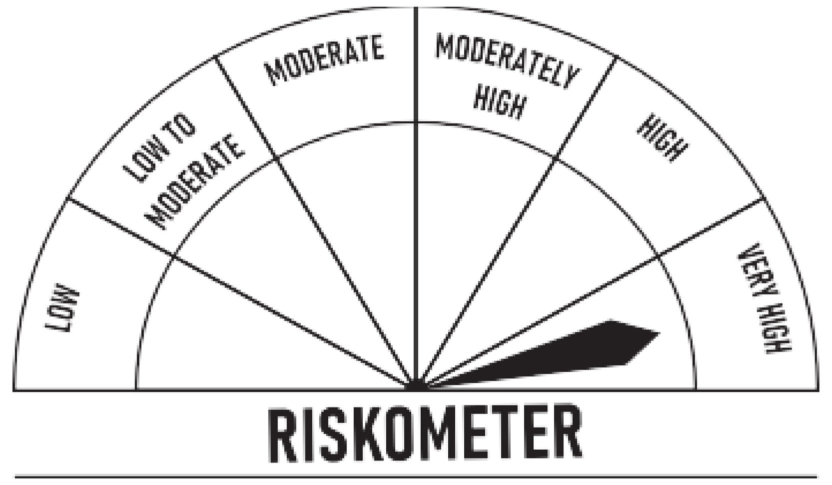
*Investors should consult their financial advisors if in doubt about whether the scheme is suitable for them.

Product labelling & Riskometer

Scheme	Product Suitability	SCHEME	BENCHMARK
DSP Global Innovation Fund Of Fund An open ended fund of fund scheme investing in Innovation theme	This open ended Fund of Funds Scheme (Investing In Overseas Fund) is suitable for investors who are seeking* ●Long-term capital growth ●Investments in units of overseas funds which invest in equity and equity related securities of companies which are forefront in innovation		**MSCI All Country World Index(ACWI) – Net Total Return** 
DSP Equity Savings Fund (An open ended scheme investing in equity, arbitrage and debt)	This Scheme is suitable for investors who are seeking* ●Long term capital growth and income ●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		**Nifty Equity Savings Index** 
DSP Equal Nifty 50 Fund **(till June 30, 2022)** **DSP Nifty 50 Equal Weight Index Fund** **(w.e.f., July 1, 2022)** (An open ended scheme replicating NIFTY 50 Equal Weight Index)	This open ended index linked equity Scheme is suitable for investors who are seeking* • Long-term capital growth • Returns that are commensurate with the performance of NIFTY 50 Equal Weight Index TRI, subject to tracking error.		**CRISIL 10 Year Gilt Index** NIFTY 50 Equal Weight TRI 

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

Product labelling & Riskometer

Scheme	Product Suitability	SCHEME	BENCHMARK
DSP Nifty Midcap 150 Quality 50 Index Fund An open ended scheme replicating/ tracking Nifty Midcap 150 Quality 50 Index	This product is suitable for investor who are seeking* • Long-term capital growth • Investment in equity and equity related securities covered by Nifty Midcap 150 Quality 50 Index, subject to tracking error		Nifty Midcap 150 Quality 50 TRI 
DSP Silver ETF An open ended exchange traded fund replicating/tracking domestic prices of silver	This product is suitable for investors who are seeking* • Portfolio diversification through asset allocation. • Silver exposure through investment in physical silver		**Domestic Price of Physical Silver (based on London Bullion Market association (LBMA) Silver daily spot fixing price.)** 

*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

Scheme names	Potential Risk Class Matrix (PRC Matrix)
DSP Savings Fund	see table below
DSP Short Term Fund	see table below

DSP Savings Fund

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

DSP Short Term Fund

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

POTENTIAL RISK CLASS MATRIX FOR DEBT SCHEME(S) OF THE FUND

DSP Strategic Bond Fund

Potential Risk Class			
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	-

DSP Government Securities Fund

Potential Risk Class			
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	-	-

POTENTIAL RISK CLASS MATRIX FOR DEBT SCHEME(S) OF THE FUND

<table>
<tr><th>Scheme names</th><th>Potential Risk Class Matrix (PRC Matrix)</th></tr>
<tr><td>DSP 10y G-Sec Fund</td><td>
<table>
<tr><th colspan="4">Potential Risk Class</th></tr>
<tr><td>Credit Risk →
Interest Rate Risk ↓</td><td>Relatively Low (Class A)</td><td>Moderate (Class B)</td><td>Relatively High (Class C)</td></tr>
<tr><td>Relatively Low (Class I)</td><td>-</td><td>-</td><td>-</td></tr>
<tr><td>Moderate (Class II)</td><td>-</td><td>-</td><td>-</td></tr>
<tr><td>Relatively High (Class III)</td><td>A-III</td><td>-</td><td>-</td></tr>
</table>
</td></tr>
<tr><td>DSP Nifty SDL Plus G-Sec Jun 2028 30:70 Index Fund</td><td>
<table>
<tr><th colspan="4">Potential Risk Class</th></tr>
<tr><td>Credit Risk →
Interest Rate Risk ↓</td><td>Relatively Low (Class A)</td><td>Moderate (Class B)</td><td>Relatively High (Class C)</td></tr>
<tr><td>Relatively Low (Class I)</td><td>-</td><td>-</td><td>-</td></tr>
<tr><td>Moderate (Class II)</td><td>-</td><td>-</td><td>-</td></tr>
<tr><td>Relatively High (Class III)</td><td>A-III</td><td>-</td><td>-</td></tr>
</table>
</td></tr>
</table>

Disclaimer

In this material DSP Investment Managers Private Limited (the AMC) has used information that is publicly available, including information developed in-house. While utmost care has been exercised while preparing this document, the AMC nor any person connected does not warrant the completeness or accuracy of the information and disclaims all liabilities, losses and damages arising out of the use of this information. The recipient(s) before acting on any information herein should make his/their own assessment and seek appropriate professional advice.

All figures and other data given in this document for the fund and the model are as on 31st August, 2022(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.
For scheme specific risk factors, Asset Allocation details, load structure, investment objective 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."

Mutual Funds Investments are subject to market risks, read all scheme related documents carefully

DSP


DSP
INVESTMENT MANAGERS
#INVESTFORGOOD