



# THE NAVIGATOR

What do I do with my money?

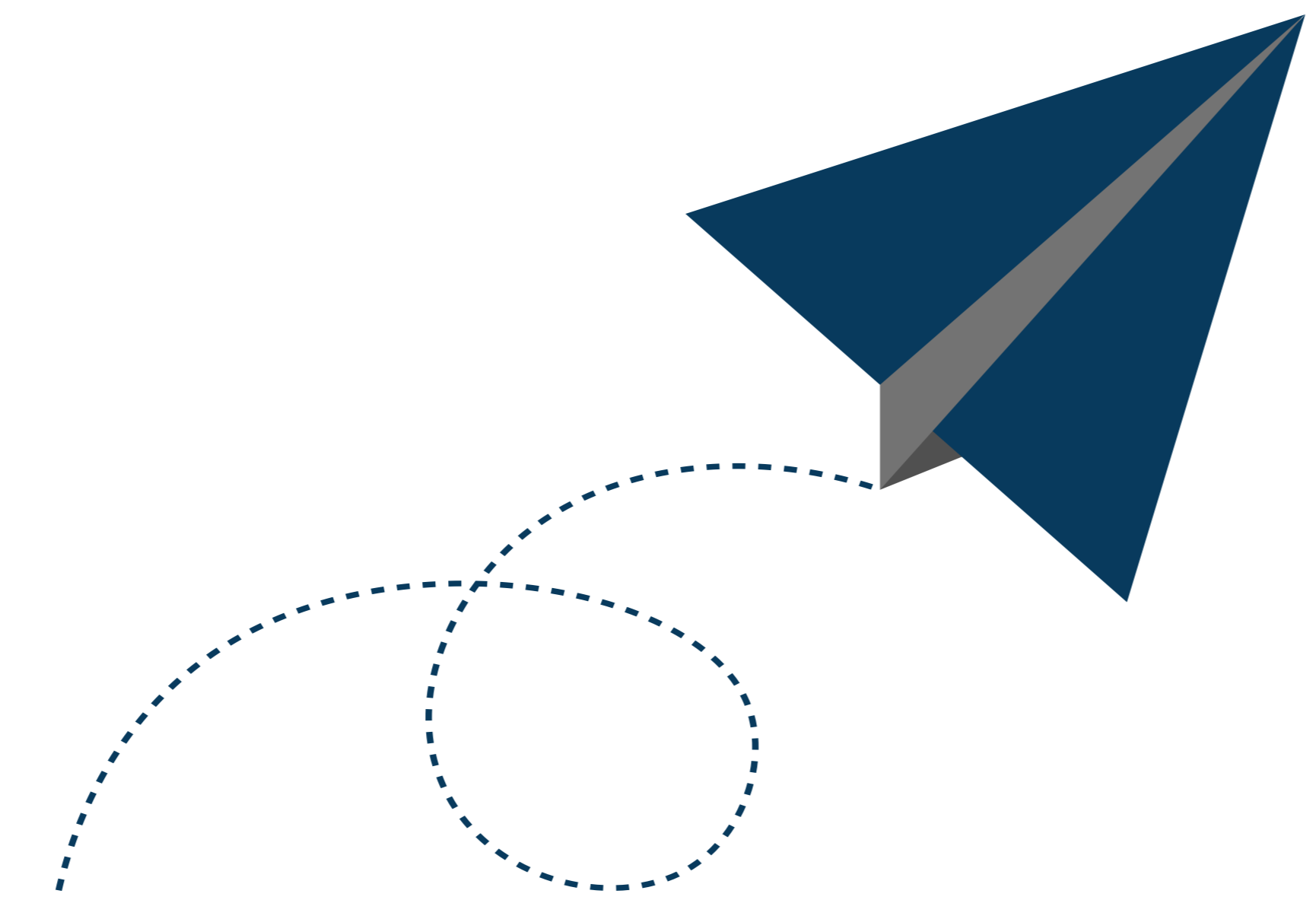
March 2025



# Objective: Why Navigator?

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1. At DSP, we aim to help investors identify the right theme/fund at the right time for a smoother journey. In the past, we have stopped subscriptions to DSP Small Cap fund, gave a buy call on DSP Healthcare Fund, gave a sell on commodities and a buy on financials at the most opportunistic times
2. The team at DSP crafts many knowledge enhancing products such as Netra, Tathya, The Transcript, The Report Card, Converse etc. Navigator aims to bring some of these insights together and recommends funds too
3. For anyone interested in knowledge enhancement, it offers a rounded perspective on drivers of returns- earnings, valuations, macros, flows, interest rates and gives pointed views on asset classes.



## The Drivers Of Returns

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

# Navigating today: What Are We Saying?

You'll do better if you wait for investments to come to you rather than go chasing after them. You tend to get better buys if you select from the list of things sellers are motivated to sell rather than start with a fixed notion as to what you want to own. An opportunist buys things because they're offered at bargain prices. There's nothing special about buying when prices aren't low.

-Howard Marks

## Re-stating what we wrote in DSP Netra

### Equity

- A. Shift from a **conservative to a moderate stance**. The time for aggression will come, but not yet.
- B. Raise equity exposure one notch by
  - 1. Fresh deployment through use of hybrids like Dynamic Asset Allocation or Multi Asset Allocation strategies as they raise equity weights on lower valuations.
  - 2. Top up SIPs
  - 3. Focus on large-caps, for staggered purchases and equity allocation
  - 4. BFSI, especially Private Banks, can be considered for addition
- C. **Do not become aggressive in allocating to SMIDs, yet.**

### Interest Rates and Macros

- A. In effect, monetary policy is stepping in to perform some of the stabilizing functions fiscal policy had previously shouldered. However, there could be some delay before this rate cut develops into a 'cycle', and if not delay it will be actioned with some caution.
- B. From a long-term historical perspective, Federal interest rates today may be considered higher — but not truly high. The markets, in the long run, may be gradually shedding the leverage accumulated during the half-century of falling interest rates.
- C. The aspirational class is growing in size, but its spending capacity has declined, leaving it increasingly reliant on credit.
- D. India's growth might not be slowing, but only correcting, returning to our long-term averages.

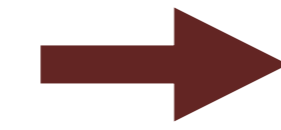
# Interest Rates: Discrete, But With Caution



# The RBI, The Liquidity, The INR, The Cut – What’s At Play And What’s Ahead?

## What’s happening in India right now?

- Money is flowing out- investors spooked trying to chase better returns elsewhere.
- Dollar is getting stronger- making INR weaker by the day.
- Capital Outflows + Dollar Strength = Downward Pressure



## RBI’s been Busy

- Massive Intervention: Dumping forex reserves to keep INR from a free fall
- Volatility Management: INR has built-in depreciation
- Monetary Policy Tug-of-War: Wants to ease rates to support the economy but needs to be discreet to maintain interest rate differential.



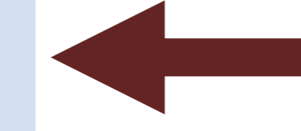
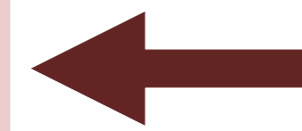
## What Happens if RBI Backs Off?

- Less reserve sales = INR’s float turns into a sharper drop
- Rupee could see an accelerated readjustment in case of further capital outflow
- Imports soar in price, inflation kicks up, confidence wobbles



## Why Monetary Policy Easing Could be Tricky

- Interest Rate Gap Shrinks: less incentive to stay
- Capital Outflows Worsen: Investors pull more cash, piling pressure on INR
- INR Slides Further



## India’s Three-Way Fight- The Impossible Trinity

- Relatively Stable INR: RBI is actively utilizing its reserves to manage and contain currency depreciation.
- Free Capital Flow: No big clamps on money moving out
- Monetary Freedom: While the central bank aims to reduce interest rates, but can’t without facing some fallout

**Catch: Can only pick two**

## RBI’s Tough Choices\*

### Keep Defending

- High rates, big reserve sales
- Upside: INR Holds ground, capital might slow its exit
- Downside: Reserves drain fast, growth stays sluggish

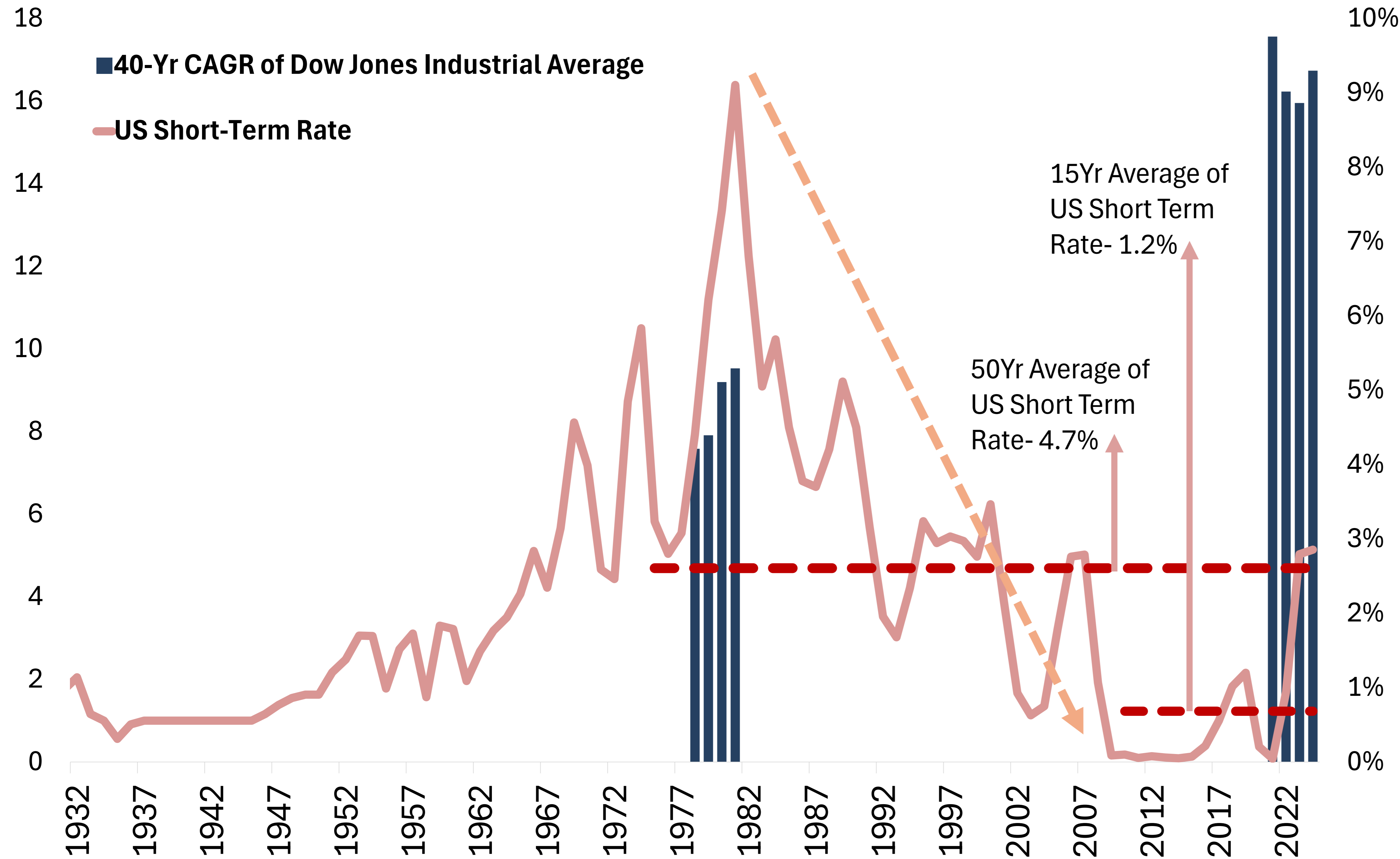
### Ease and Float

- Cut rates, let INR drift down
- Upside: Economy gets a boost, exports could shine
- Downside: INR tanks, outflows spike, inflation bites

### Slam on controls

- Restrict capital flows
- Upside: INR stabilizes
- Downside: Investor trust erodes

# Interest Rates are only HighER, Not High



The past 40 years have seen a consistent decline in interest rates following the Volcker's very high interest rate policy to fight stagflation, after a 40-year consistent increase in interest rates following the Great Depression.

Through these 4 decades, the market has delivered decent returns, these returns though did come at the back of a booming capitalist society and thus growing businesses, a major tailwind does remain declining interest rates.

How could declining interest rates contribute to a booming economic environment:

1. Boosts the economy through cheaper credit to buy and invest in businesses
2. More incentive to invest in equity over bonds
3. And all this creates a perpetual environment by instilling more confidence in the prospect of growth of the economy.

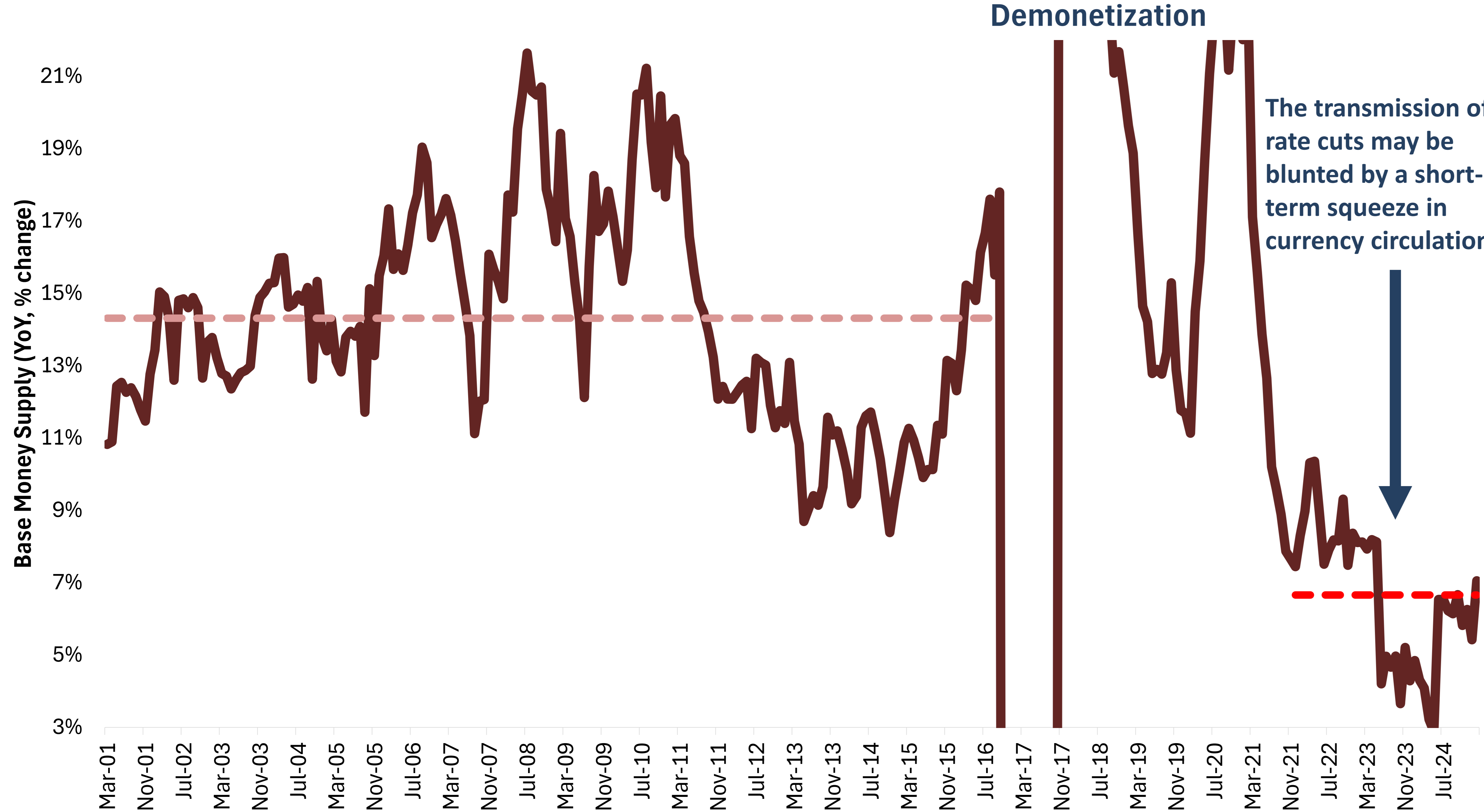
And all of this did play out – Dow Jones delivered a 40-Yr CAGR of 10% in 2021 vs exactly half of it in 1981.

Now, does this mean there will be another 40 years of increasing interest rates? We Cannot Say.

But will the market keep delivering the kind of return it has , over even the next 20 years? It's difficult to say. The US Fed Funds Rate at 5% may not be labelled high compared to a 50-Yr Avg of 4.7%, but only higher compared to the recent history of 15 years, where rates ended being 0% for the majority of the decade post GFC. The current 'higher' rates could be a drag on growth and equity returns versus the benign and low rates of last 15 years



# Constrained Currency In Circulation



The transmission of rate cuts may be blunted by a short-term squeeze in currency circulation.

The cash supply in the system is limited.

Lower-income groups, who depend heavily on cash and rarely take loans for small purchases, may be the worst affected since they have little to no bank savings.

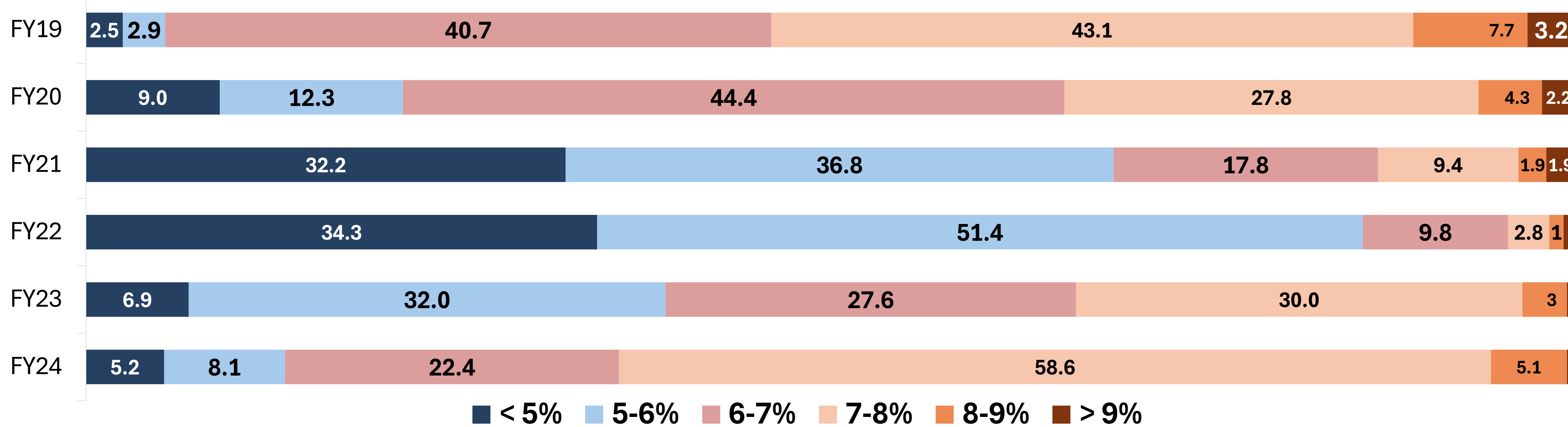
While the RBI is working to ease the cash crunch, a rate cut and CRR reduction will take time to boost economic activity and demand, as they must pass through multiple financial layers.

The impact of a rate cut will be slow because many deposits are locked in at higher interest rates, making it harder for banks to lower loan rates in the short term.

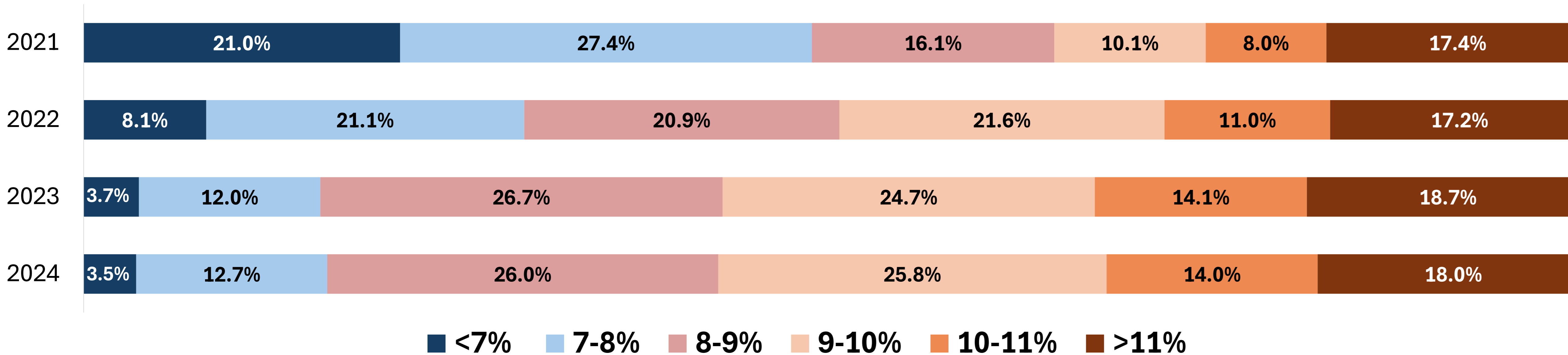


# The Dent On Interest Rate Transmission

## Interest-Rate Wise Share of Term Deposits of Banks



## Interest-Rate Wise Share of Loans and Advances of Banks



While the currency with the public, remains constricted, it majorly stems from increase in financialization of savings.

The share of term deposits offering interest rates above 7% has seen a sharp jump, rising from just 5% in FY22 to a very high 65% in FY24. This means even after a rate cut, it will take considerable time for it to finally show in increased money in the hands of public, because most of the population that does have the capacity to make discretionary spends and contribute to a higher velocity of money in the face of increased economic activity have it locked in term deposits at higher interest rates.

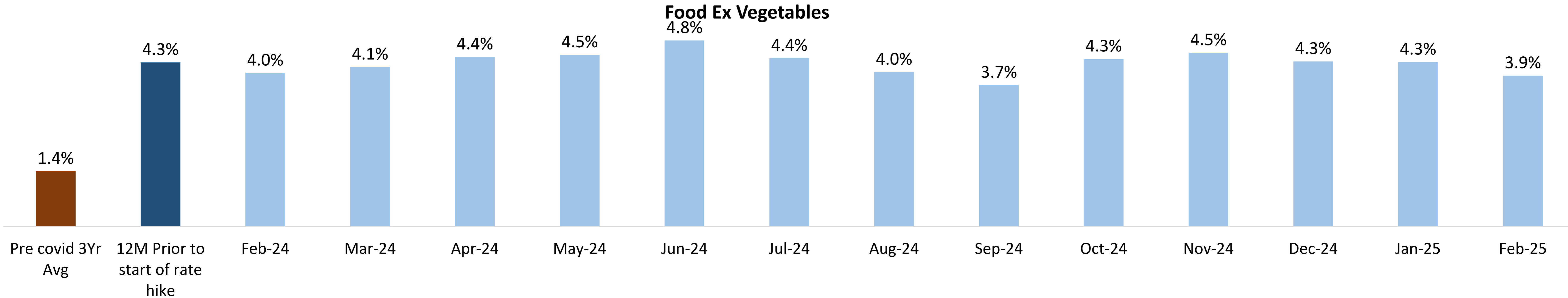
Also, the loan rates move in tandem to the increasing rate on deposits for banks to maintain steady revenue.

Loans advanced at rates higher than 9% increased from a little less than a third of the total in 2021 to more than half of the total loans by Dec'24.

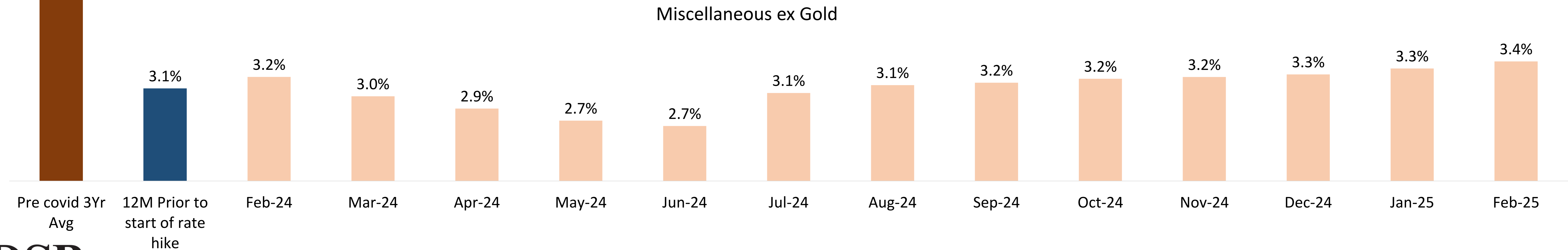
**Price = f(Demand, Supply). And while demand of money rises amidst stagnated incomes, price of money rises, and RBI's efforts could prove more efficient, if they go beyond rate cuts.**

# Core Inflation, A Reflection of Demand, Remains Low

The non-core component of inflation is considered non-core precisely because it is typically transient. However, the current CPI construct assigns disproportionate weight to Food & Beverages (F&B), amplifying its impact. As a result, what is inherently temporary now appears entrenched, marking a shift from historical trends



Discretionary spending remains constrained, with limited scope for growth. Even after edging up from recent lows, it significantly trails the pre-COVID average — a reflection of subdued demand, partly attributable to its reduced share in the overall consumption mix.

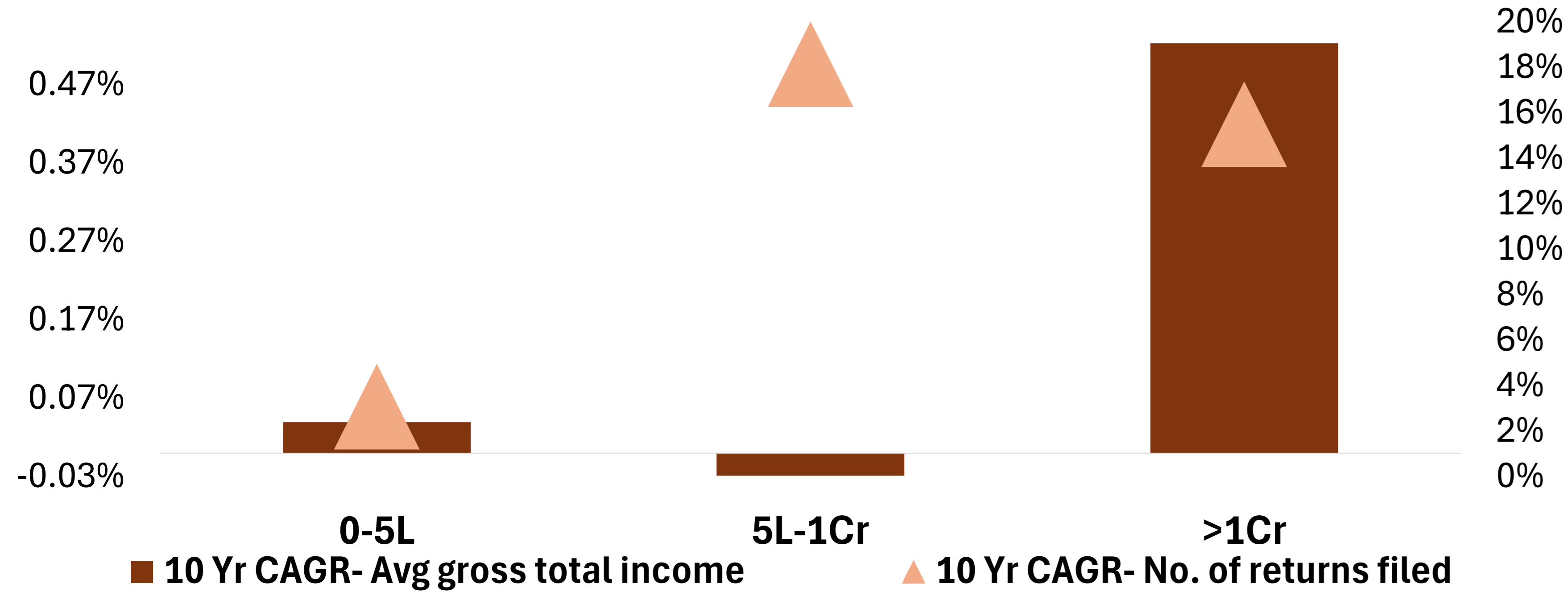




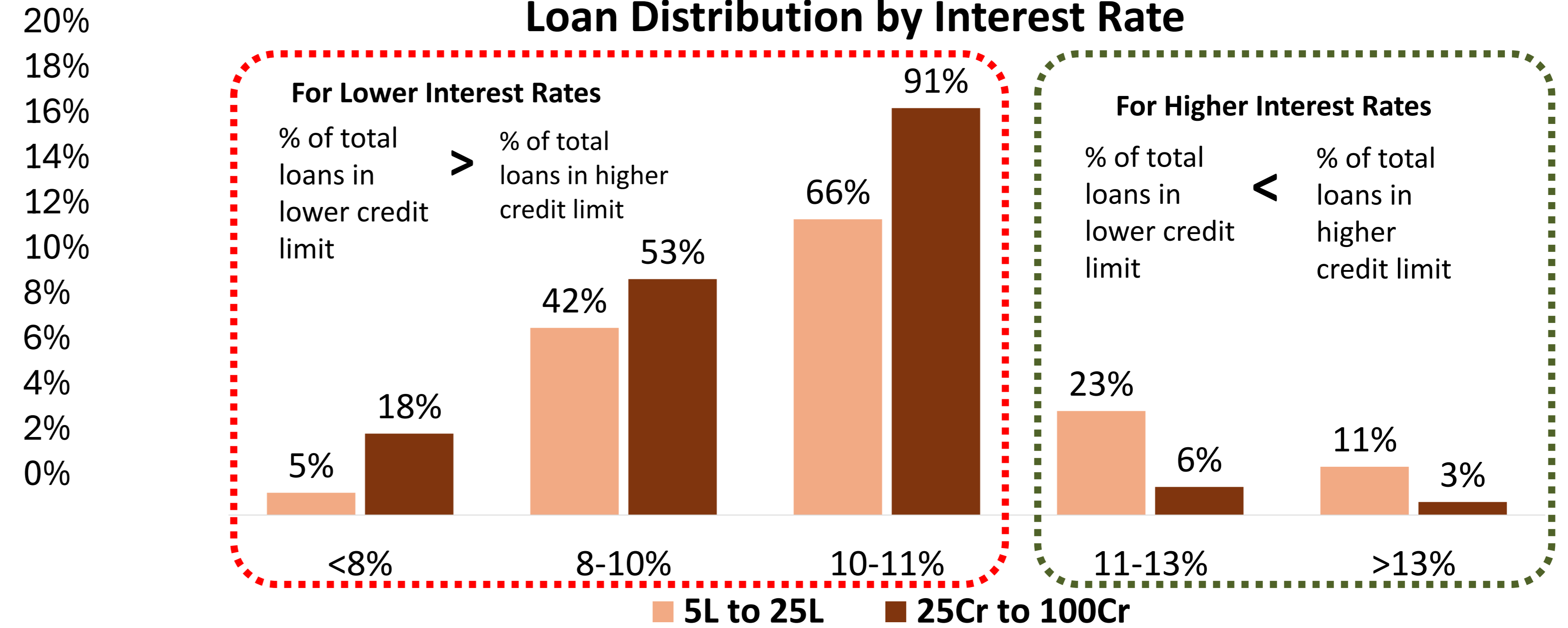
# **Macros & Flows: Resilient, But Not Invulnerable**

# The Many Indias

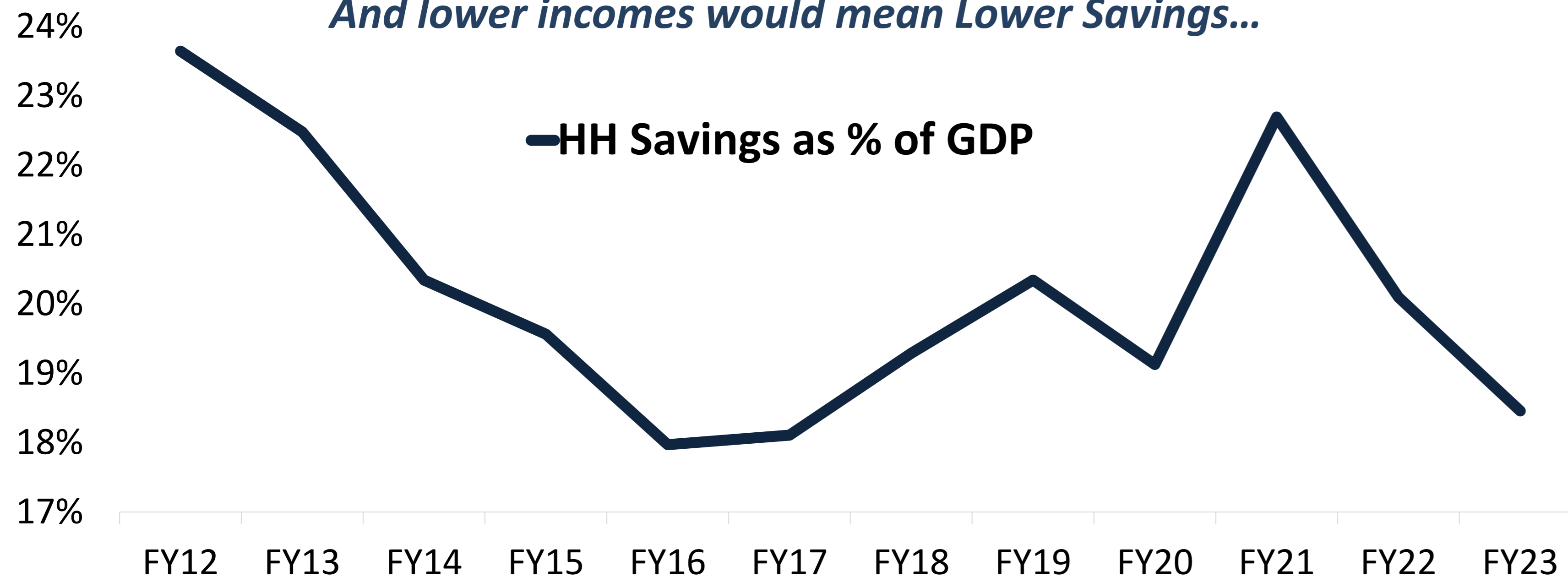
*The middle-income group has faced challenges in increasing their income, even though their share of the population has grown...*



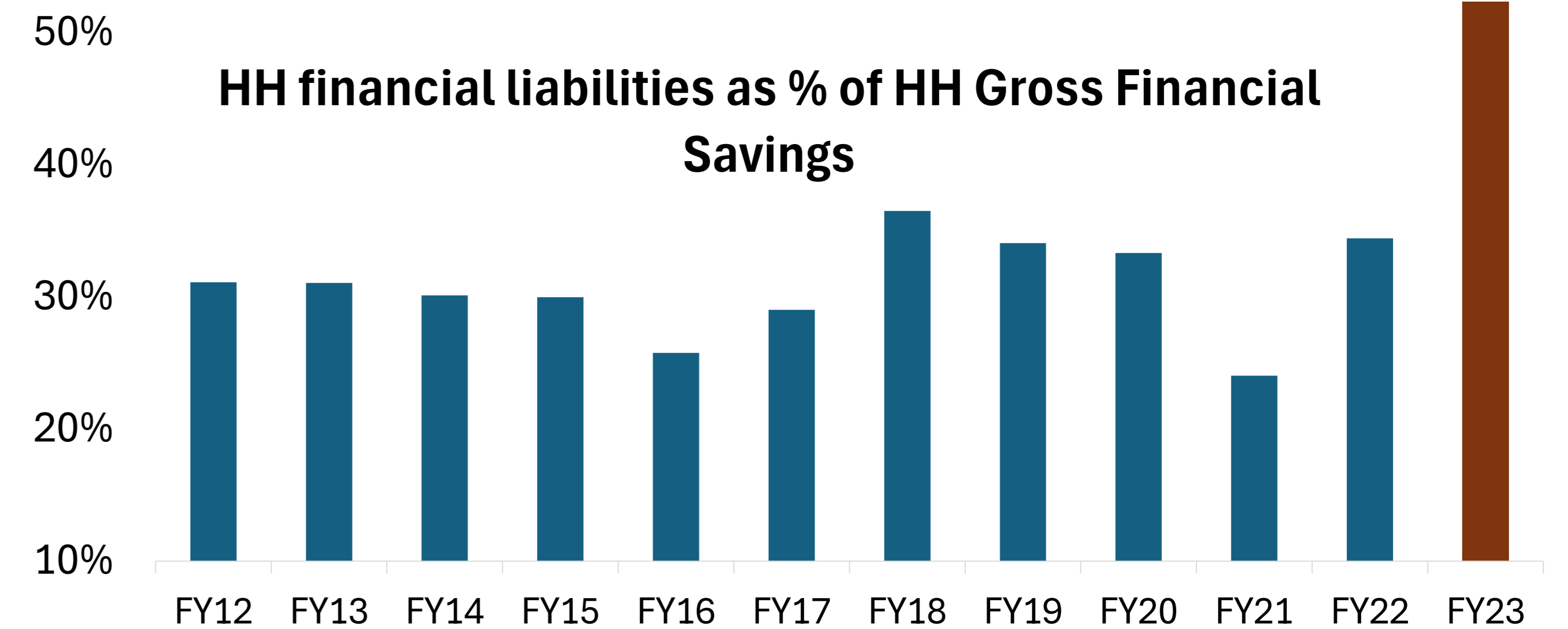
*...but the aspirational class furthers its aspiration into reality by relying on credit – often at higher costs*



*And lower incomes would mean Lower Savings...*

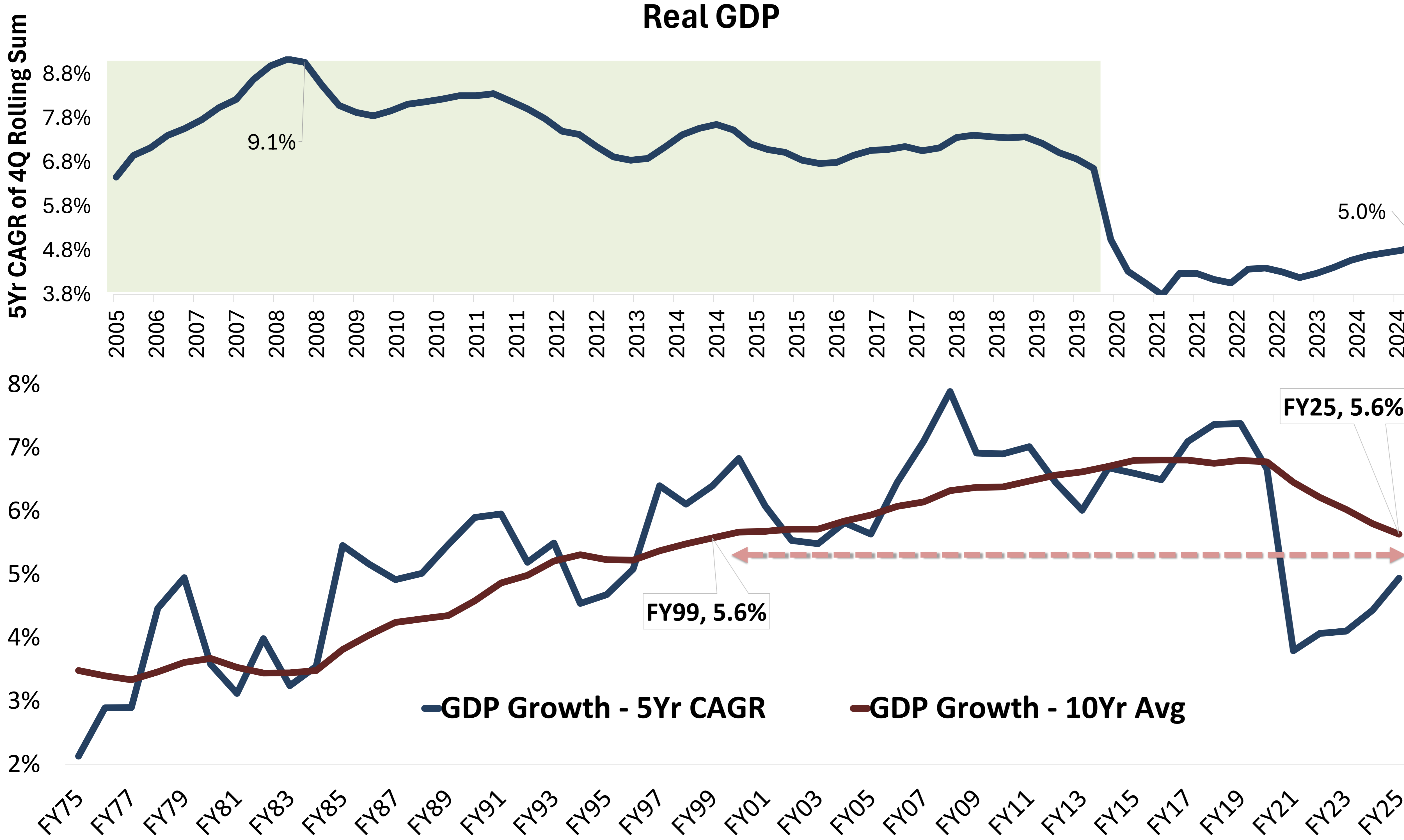


*...and Higher Debt*





# Growth Reverting To Mean

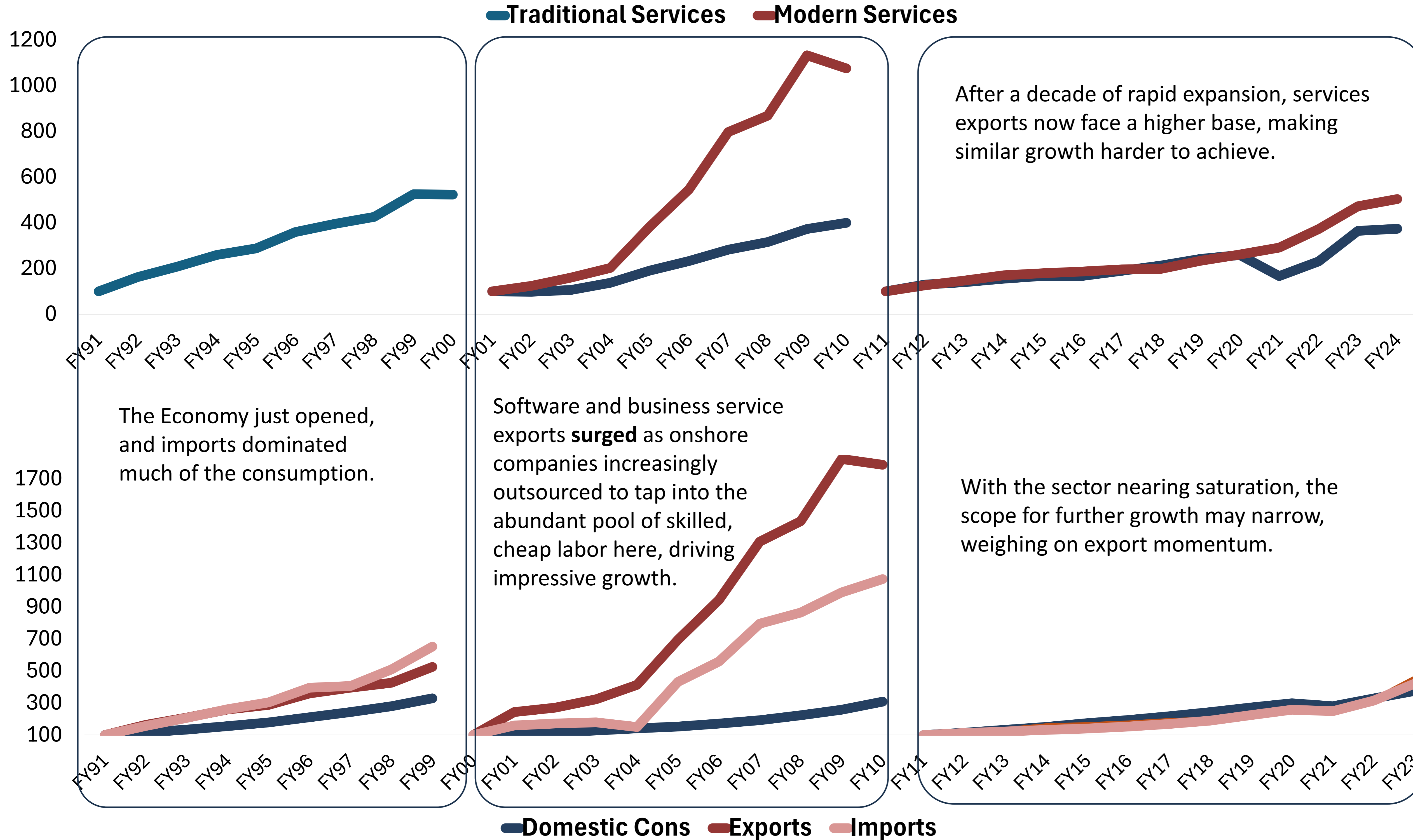


Having more than a decade of very high growth, the recent past might concede a 6% growth as 'not so good' or even low growth. But if we take a much longer historical perspective, we might be just receding from a phase of very high growth, to normal growth- **We might not be slowing, but only reverting to mean, to our long-term averages.**

Though it can be argued that while amidst a lack of 'desire to invest', there could still be capacity for the economy to 'absorb more investment' and thus holds the 'potential' for higher growth.

However, what could be actually concerning is the tendency of a developing economy like India to have based its growth on domestic consumption and if that begins to falter, could pose an essential threat to the growth prospects of the economy.

# Service Sector Growth Spurt Could Be Nearing Saturation



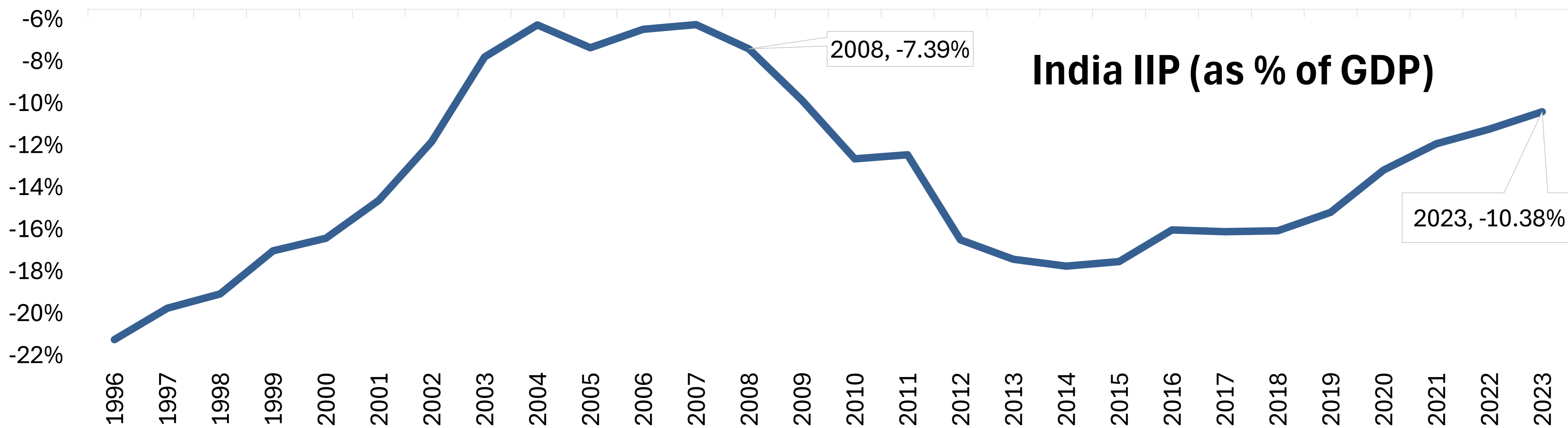
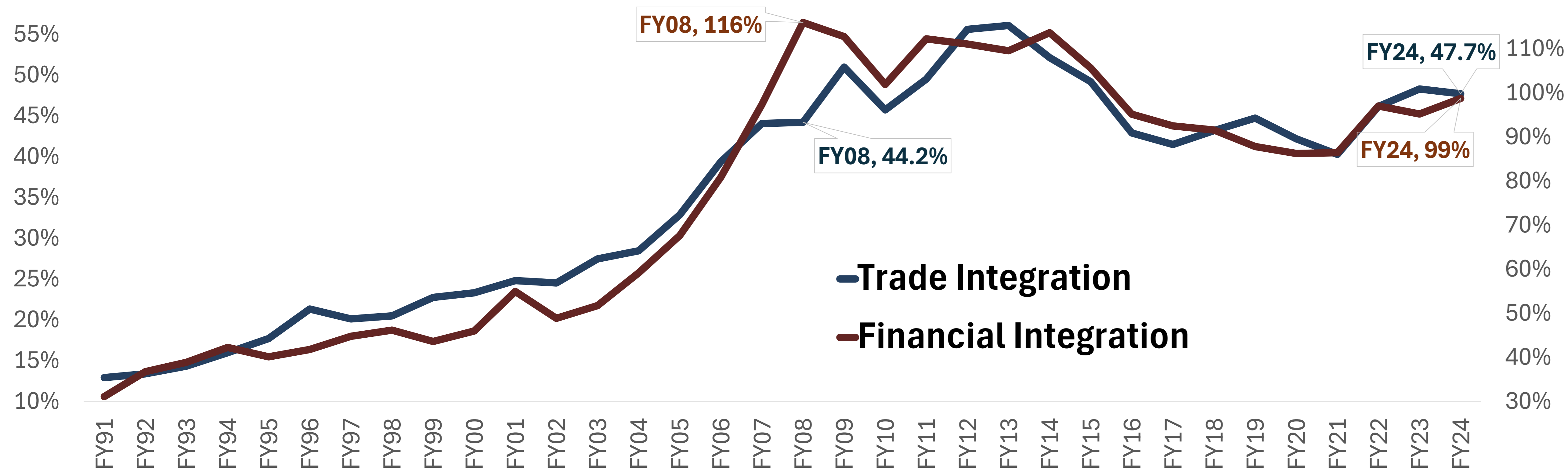
Between 2003 and 2008, the Indian economy experienced an extraordinary growth phase, driven by a booming global economy and a surge in exports. While India had been liberalizing its economy for nearly a decade by then, it was the services sector—powered by a growing pool of skilled, affordable labor—that truly capitalized on this momentum.

In recent years, the services sector has remained resilient but is now showing signs of subdued growth, partly due to a high base and the absence of another global economic boom. This hints at a possible saturation point and highlights the need to create opportunities for a broader labor force, especially those not highly skilled.

Focusing on sophisticated, high-value manufacturing could not only tap into global demand but also provide meaningful employment for India’s expanding skilled workforce.



# Globalization, A Double-Edged Sword



As we took advantage of global growth, we also became more connected to international developments—an inevitable part of the process.

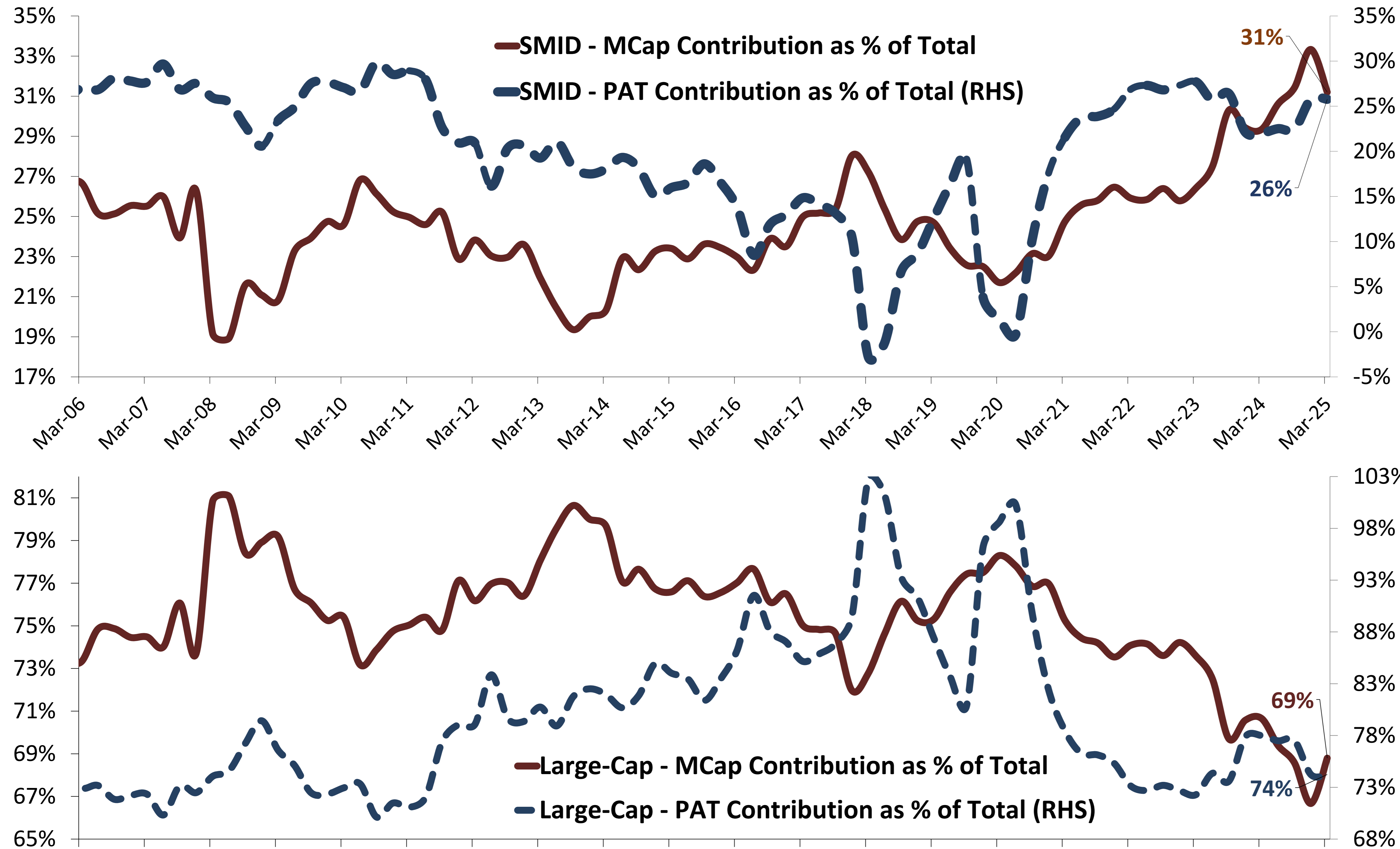
Today, our financial and trade ties with the world are as strong as they were during the Global Financial Crisis (GFC). With global politics being highly uncertain, the risk of unexpected policy changes has increased.

Globalization is a double-edged sword, especially now. While India is less vulnerable than during the Taper Tantrum and Eurozone Debt Crisis, we are still significantly impacted by global events.

## Valuations: What Goes Up, Must come Down



# SMIDs Profit & MCap Share Could See Reversion To Mean



Market cap and profit contribution of small and midcap firms has improved significantly. Prior to the pandemic, the events of 2018 and beyond sowed the seeds of doubt for Small & Midcap space. Most SMIDs traded as if they will struggle to raise capital for growth. This caused their valuations to plummet at a time when profit growth was uneven.

The gush of liquidity post the pandemic, and a stellar earnings growth cycle caused investors to suspend all disbelief about the vulnerability of smaller firms. This caused a re-rating of SMID universe from median multiple of close to 20x to a peak of 40x.

As earnings growth normalizes, there is a possibility that SMIDs share of profits and Mcap could see a reversion to mean.



# Large Cap Valuations Approaching Average, Broader Market Still Away

*In the CY25, Nifty Index EPS is likely to touch Rs. 1150, when is unknown. At 17x to 17.5x trailing earnings (or say 19500 to 20,200 Index levels) there wouldn't be much to gauge from these numbers for allocation decisions. Hence, equity allocation to large-caps in a moderate manner should be considered in this valuation range. There is no perfect method.*

Nifty 500 Index	Sep-24	Feb-25	Change
Index Level	24,500	20,000	-18.4%

PE Ratio	28	22	-21.4%
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ROE %	15.5	15.3	-0.2
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TTM EPS Growth YoY%	22%	14.5%	-7.5%
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Nifty Index	Sep-24	Feb-25	Change
Index Level	26,200	22,200	-15.3%

PE Ratio	24.8	20	-19.4%
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ROE %	15.9	15.9	0.0
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TTM EPS Growth YoY%	15%	11.0%	-4.0%
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Nifty Index price to earnings ratio is now close to its long period average. But the price to earnings ratio, or one way of valuing the aggregate numbers has been rising steadily for the last many years. Nifty Index TTM PE Ratio averaged 17x from 2003 to 2013 and since then, from 2014 to now, it has averaged 22x. A 5 points re-rating upwards. One way to judge a fair multiple for the Index is to consider the Return on Equity (ROE) at an aggregate level in context of earnings growth. It is not the most pristine way, but an indication of current market placement.

From Sep 2024 peak, Nifty Index PE has declined by 5pp or 20%, while for Nifty 500 the decline is sharper. At an ROE of 15%, and earnings growth of 14.5%, the PE for Nifty 500 Index still looks rich. Earnings growth for the broader market is slowing as indicated in the last slide. If earnings grow at 10% to 12% range, considering an ROE of 15%, market would be fairly valued when it trades close to 17x to 17.5x PE multiple. Nifty Index is approaching that territory fast while Nifty 500 Index is a bit of a distance away. Once there, the ability of valuations to influence equity allocation, at aggregate level will decline. **Large cap indices are approaching a point which warrants moderate equity allocation, diluting the conservative stance that valuations suggested for a long while. Another 8% to 10% price correction or a sequential rise in earnings EPS or a combination will get large caps there. For broader market, the valuations comfort is still missing but is on its way.**



## Sectors: Linking Data Trends

# Where The Opportunity Lies

Sector	Valuation Metric	% of stocks trading below 30th percentile of its historical valuations
Private Banks	Price to Book	70%
Nifty Financial Services (ex Banks)	Price to Book	37%
Oil & Gas (incl. RIL)	EV to EBITDA	33%
Chemicals	Price to Book	26%
Auto	Price to Earnings	20%
Metals	EV to EBITDA	20%
Healthcare	Price to Earnings	11%
FMCG	Price to Earnings	7%
Capital Goods	Price to Book	3%
IT	Price to Earnings	0%
PSU Banks	Price to Book	0%

Over the past six months, we've seen some of the froth in stock valuations getting washed away but not entirely. While certain pockets of the market are now trading near the lower end of their historical valuation ranges, many sectors still lack a significant margin of safety.

We have taken the relevant valuation metric which can be used to measure a particular sector and not many sectors present opportunities providing higher margin of safety. Most of these are the sectors which were more popular in the post covid bull run (like PSU Banks, Capital Goods).

Given current earnings trends and ROE levels, the broader market still appears a bit stretched from a true value perspective. However, selective opportunities exist in segments like Financial Services companies (excluding PSU Banks) and Oil & Gas. In this environment, a more bottom-up approach may be the key to finding value.

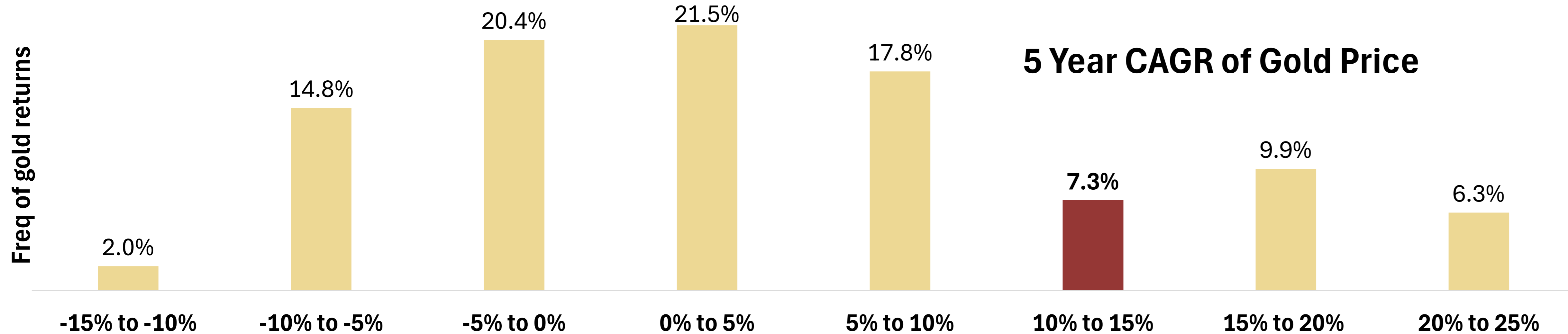
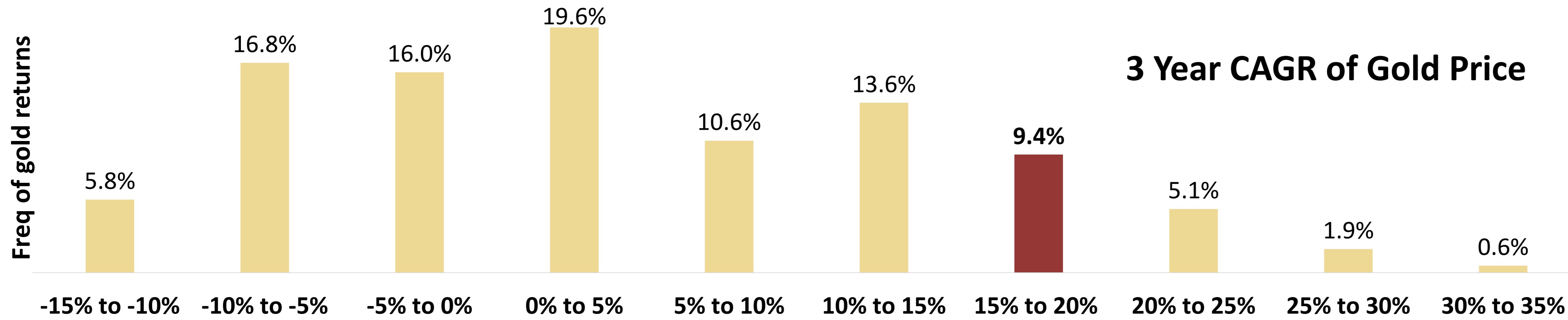
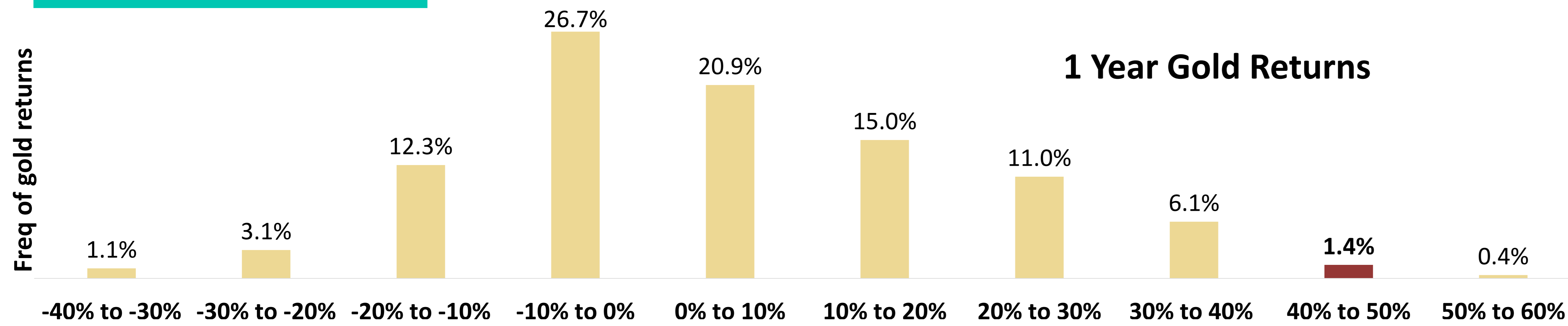
Source: Capitaline, DSP. Data as on Feb 2025.

All Nifty indices are considered except for Capital Goods which is BSE Capital Goods index. The historical valuation starts from 2002 or since listing whichever is later.

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



# No Trend Lasts Forever



Gold’s current rally has been remarkable, with returns sitting in the upper distribution tranches. However, just as rare as these strong gains are, history suggests that equally sharp declines could occur if momentum reverses. The very nature of gold as a cyclical asset calls for caution when taking positions.

Looking at historical data of 1 year returns over the past four and a half decades:

- **Annual returns of 40-50% have occurred only six times**, making such an outcome an outlier rather than a precedent.
- **The most frequent outcome—nearly 25% of the time—has been a negative return of up to 10%**, highlighting the asset’s inherent downside risks.
- **In just under half of the instances, gold has actually declined in value over a one-year period**, reinforcing its volatility despite its perceived safe-haven appeal.

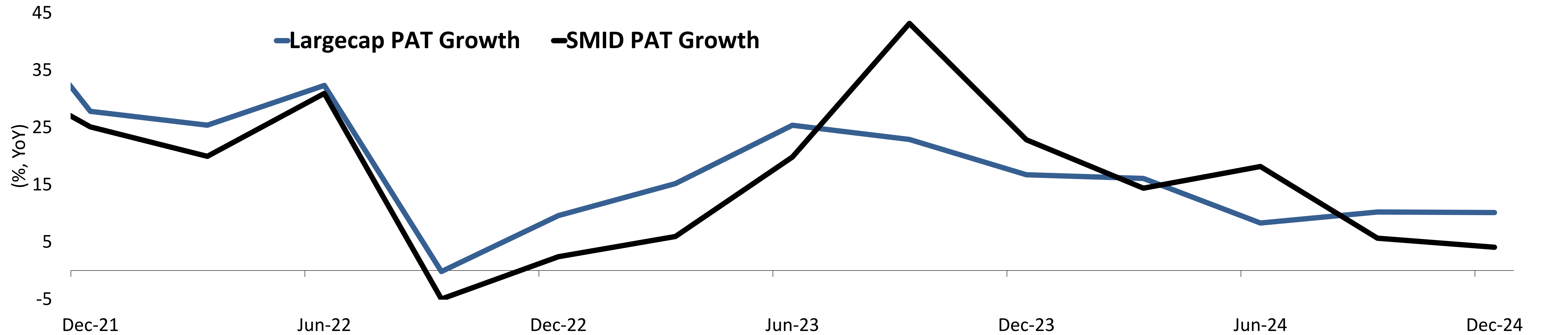
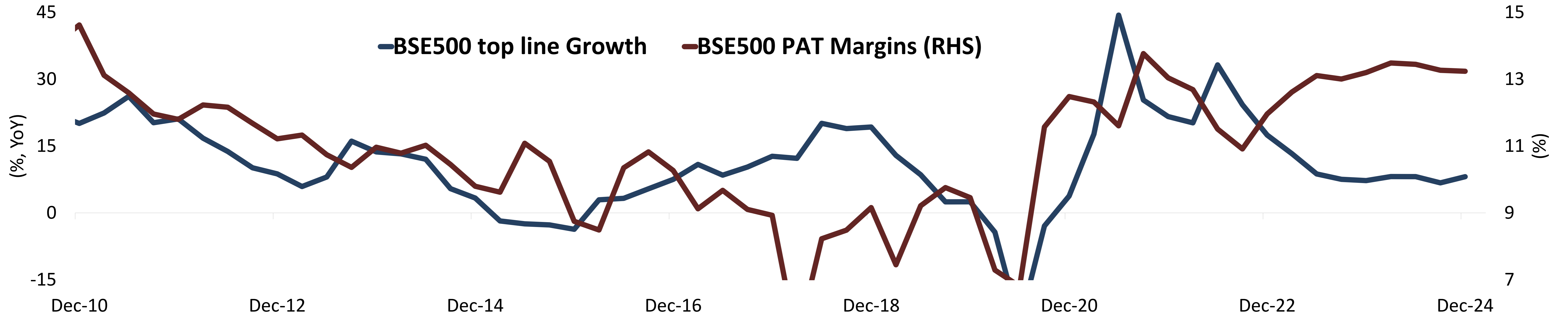
These patterns reinforce the idea that while gold can offer substantial upside, it carries a comparable downside risk. As such, positioning in gold should be approached with an awareness of its cyclical nature, ensuring that excitement over a rally does not overshadow the inherent volatility of the asset.

# Earnings: The Tide That Lifts All Boats Can Just As Swiftly Recede

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# Earnings Growth Has Slowed, Margins Compression Ahead?



# Putting It Together

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Indian equities were riding high on earnings growth. The post-pandemic earnings recovery cycle lasted a while and significantly boosted market sentiment. This was reflected in rising earnings multiples of the PE ratio.

One driver of earnings was a sharp profitability rebound due to declining raw material and other costs. Margins for the BSE 500 are near their all-time high.

The other contributor was sales growth. The topline growth for the BSE 500 stayed above 20% for a considerable period.

Both these levers have now reversed. This is the biggest short-term "worry" for the markets. **If earnings growth mutes to 10–12%, valuation multiples must contract—and they are contracting now.**

Also, note how sharply earnings for the Small & Midcap (SMID) universe have shrunk. That's one reason we highlighted the complete absence of a margin of safety in SMIDs. **SMID valuations are now mean-reverting, and earnings growth bottoming out will determine where they stabilize.**



Let's sum it up.

# Asset Class View

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- Equity:

Raise equity exposure one notch by

1. Fresh deployment through use of hybrids like Dynamic Asset Allocation or Multi Asset Allocation strategies as they raise equity weights on lower valuations.
2. Top up SIPs
3. Focus on large-caps, for staggered purchases and equity allocation
4. BFSI, especially Private Banks, can be considered for addition

- Debt: [DSP Converse](#)

1. Remain long. Add spread assets (Corporate Bonds/Commercial Paper/Certificate of Deposit).
2. In near future, the liquidity surplus to benefit spread assets.

- Commodities:

- All assets are cyclical. Gold, a proven store of value and strong performer, is a valuable portfolio addition.
- Silver is undervalued with respect to Gold prices. The Gold to Silver ratio is close to 88:1 versus its long period average of 65:1

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.



# How To Position Your Portfolio?

# Asset Allocation: Our recommendations

*If you are*

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

*Then you should consider having this % of equity in your portfolio*



# Conservative Strategy

## Portfolio: Conservative

Asset Class	Category	Fund	Allocation
<b>Equity 20%</b>	Index Fund	DSP Nifty Top 10 Equal Weight Index Fund	10%
	Large Cap Fund	DSP Top 100 Equity Fund	5%
	Sectoral / Thematic	DSP Banking & Financial Services Fund	5%
<b>Alternate &amp; Hybrid 20%</b>	Multi Asset Allocation	DSP Multi Asset Allocation Fund	20%
<b>Fund of Fund 15%</b>	Income Plus Arbitrage FoF	DSP Income Plus Arbitrage Fund of Fund	15%
<b>Debt 45%</b>	Money Market Fund	DSP Savings Fund	10%
	Dynamic Bond	DSP Strategic Bond Fund	35%

# Moderate Strategy

Portfolio: Moderate

Asset Class	Category	Fund	Allocation
<b>Equity 50%</b>	Large Cap Fund	DSP Top 100 Equity Fund	25%
	Sectoral / Thematic	DSP Healthcare Fund	5%
	Value Fund	DSP Value Fund	15%
	Sectoral / Thematic	DSP Banking & Financial Services Fund	5%
<b>Alternate &amp; Hybrid 20%</b>	Multi Asset Allocation	DSP Multi Asset Allocation Fund	20%
<b>Fund of Fund 5%</b>	Income Plus Arbitrage FoF	DSP Income Plus Arbitrage Fund of Fund	5%
<b>Debt 25%</b>	Money Market Fund	DSP Savings Fund	5%
	Dynamic Bond	DSP Strategic Bond Fund	20%



# Aggressive Strategy

Portfolio: Aggressive

Asset Class	Category	Fund	Allocation
<b>Equity 60%</b>	Large Cap Fund	DSP Top 100 Equity Fund	40%
	Index Fund	DSP Nifty Top 10 Equal Weight Index Fund	10%
	Sectoral / Thematic	DSP Healthcare Fund	5%
	Sectoral / Thematic	DSP Banking & Financial Services Fund	5%
<b>Alternate &amp; Hybrid 25%</b>	Equity Savings	DSP Equity Savings Fund	5%
	Dynamic Asset Allocation or Balanced Advantage	DSP Dynamic Asset Allocation Fund	20%
<b>Fund of Fund 5%</b>	Income Plus Arbitrage FoF	DSP Income Plus Arbitrage Fund of Fund	5%
<b>Debt 10%</b>	Dynamic Bond	DSP Strategic Bond Fund	10%

# Passive - Moderate Strategy

## Portfolio: Passive- Moderate

Asset Class	Category	Fund	Allocation
<b>Equity 55%</b>	Index Fund	DSP Nifty Top 10 Equal Weight Index Fund	35%
	Sectoral / Thematic	DSP Quant Fund	15%
	Index Fund	DSP Nifty Private Bank Index Fund	5%
<b>Alternate &amp; Hybrid 20%</b>	ETFs - Others	DSP Silver ETF	10%
	FoFs- Domestic	DSP Gold ETF Fund of Fund	10%
<b>Debt 25%</b>	Index Fund	DSP CRISIL SDL Plus G-Sec Apr 2033 50:50 Index Fund	25%

## ...And Some Fun Recommendations

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### What we liked:

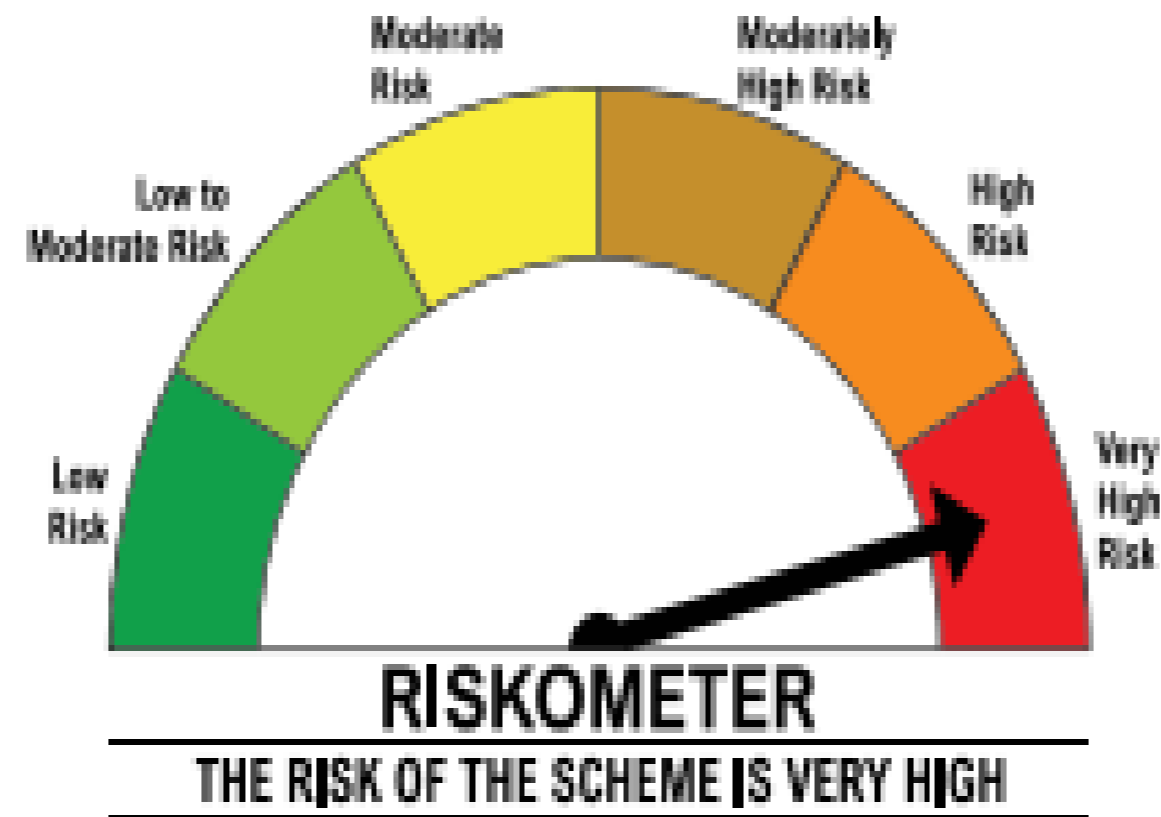
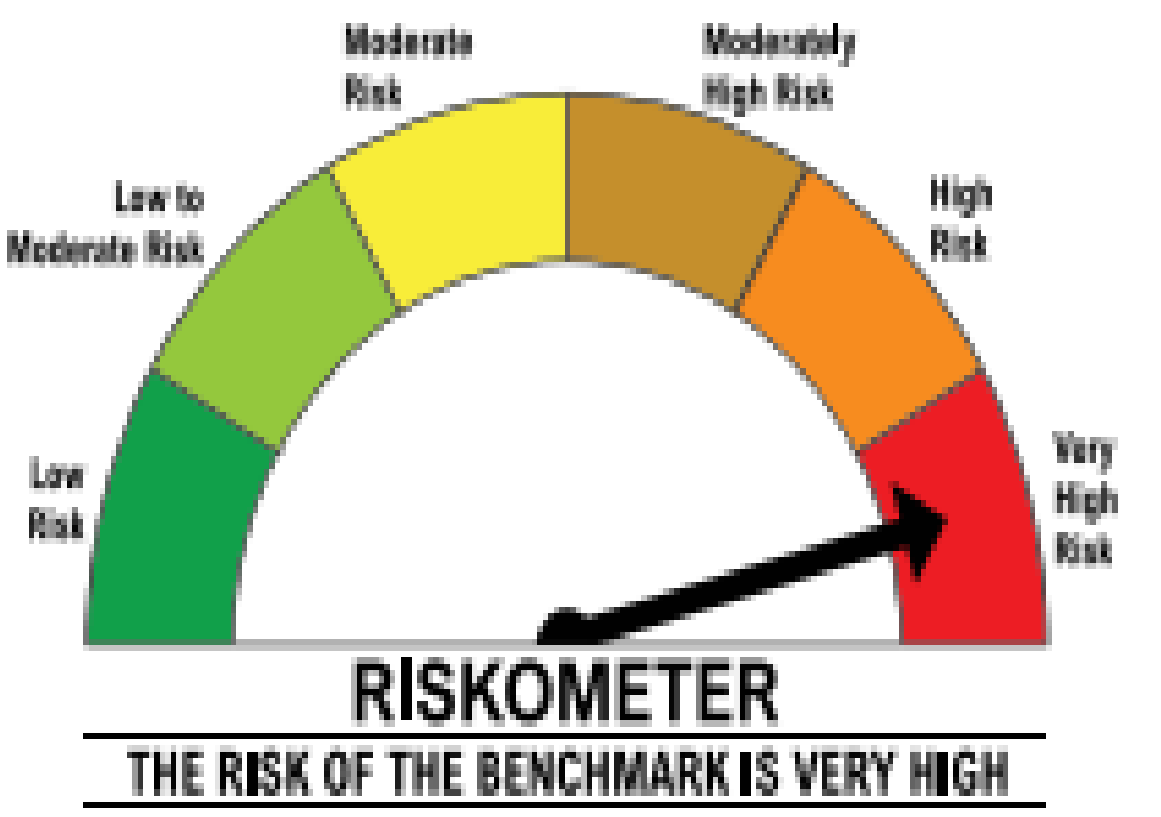
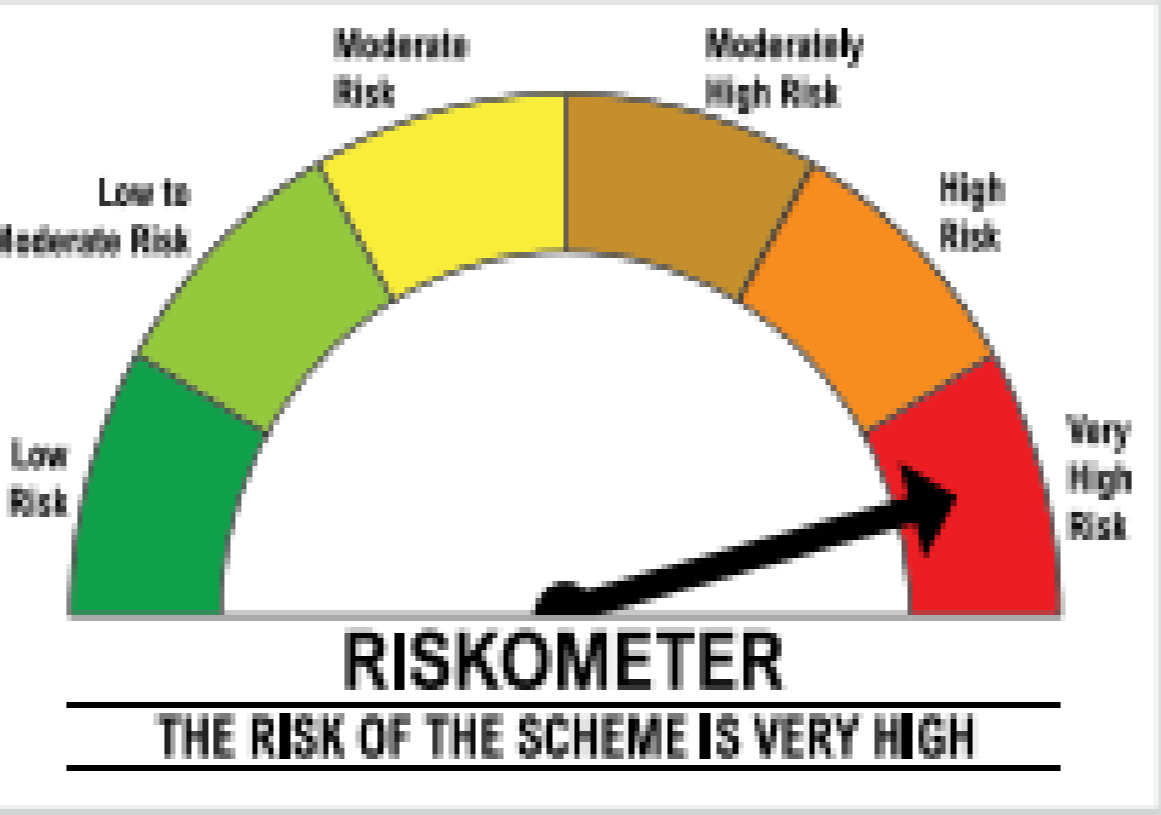
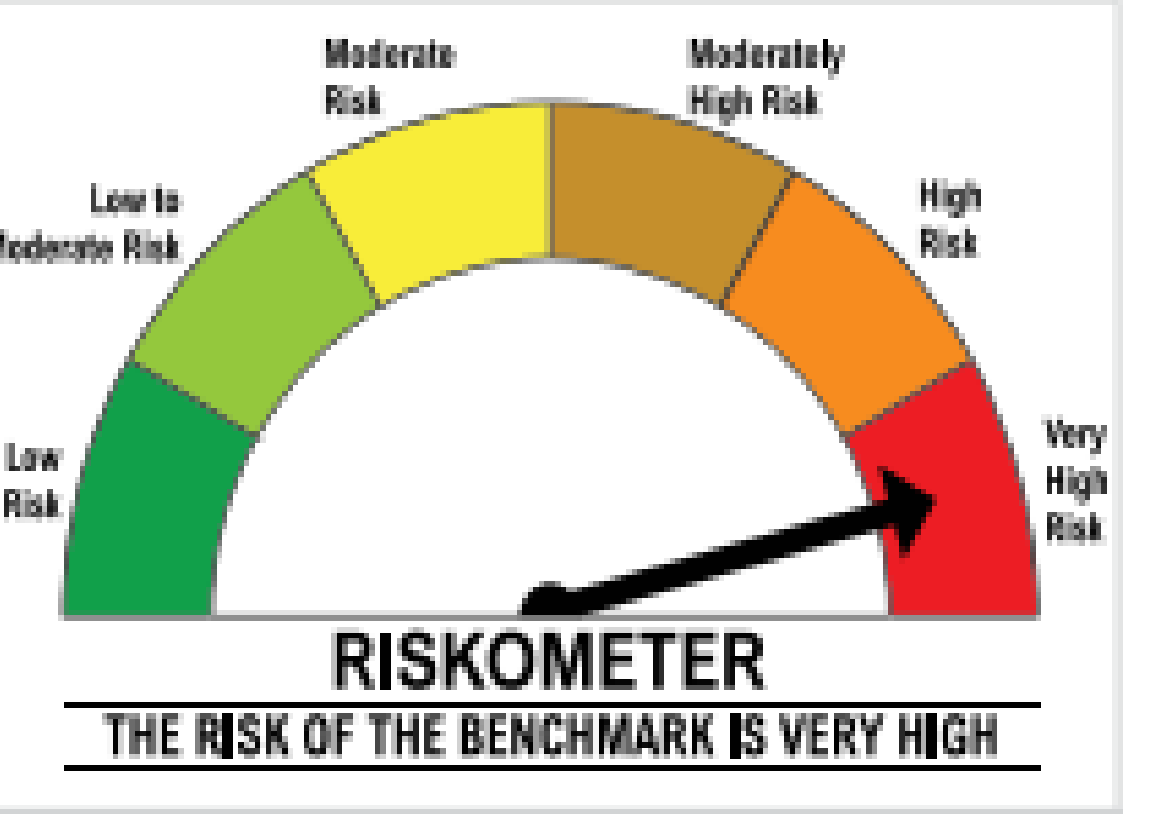
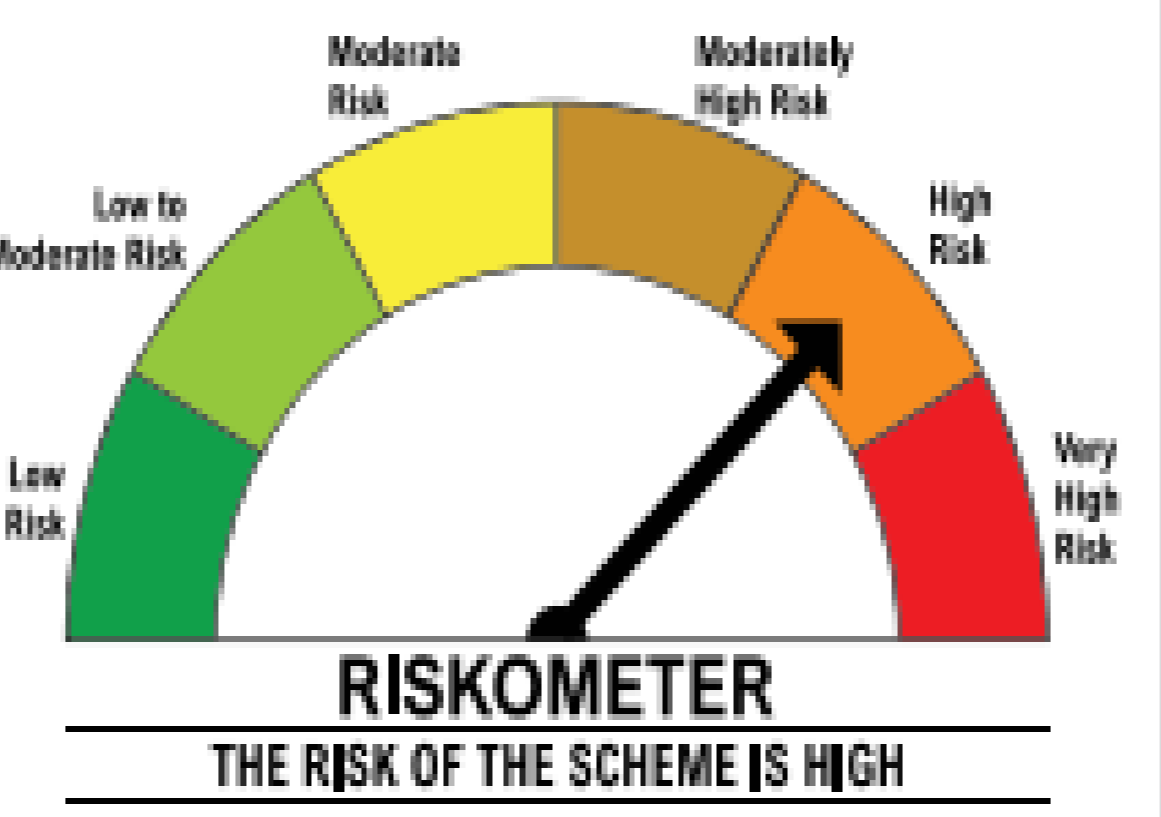
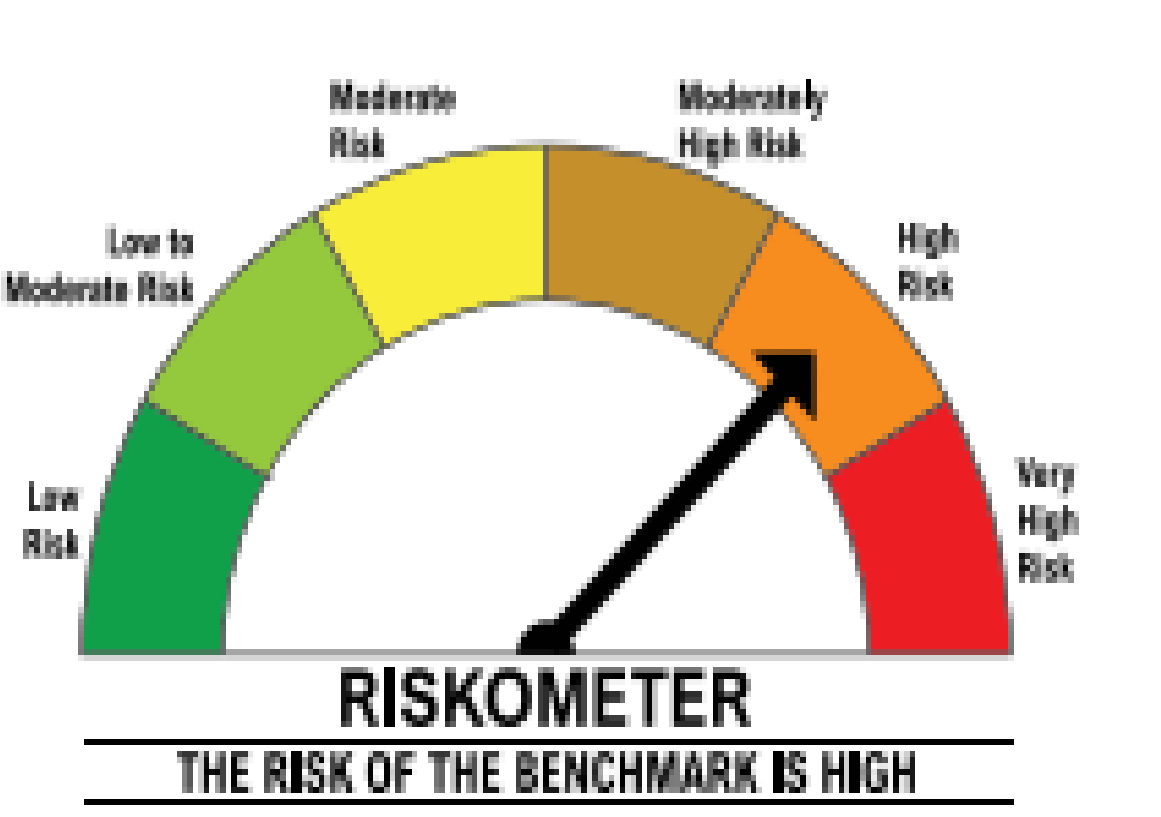
- Book: [“Antifragile” by Nassim Nicolas Taleb](#)
- Podcast: [Tom Chivers | Probability & Bayes Theorem](#)
- Article: [Sea Change – Memos From Howard Marks](#)

### Our in-house creations:

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- DSP Blog | Kal sooraj phir uthega, abhi sirf shaam hi toh hai | [Read the Blog](#)
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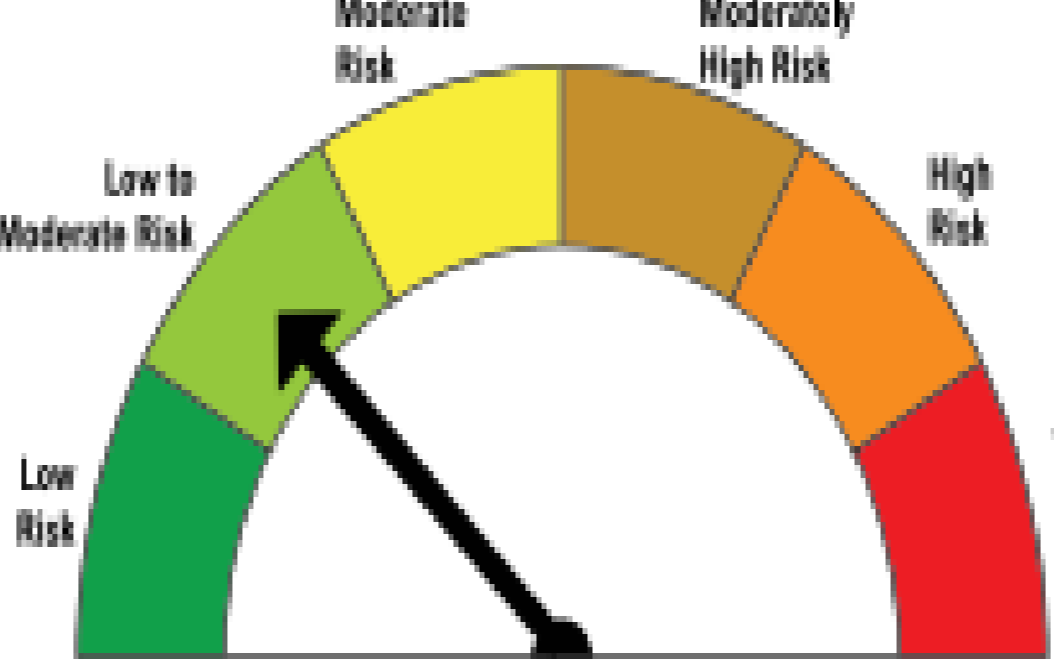
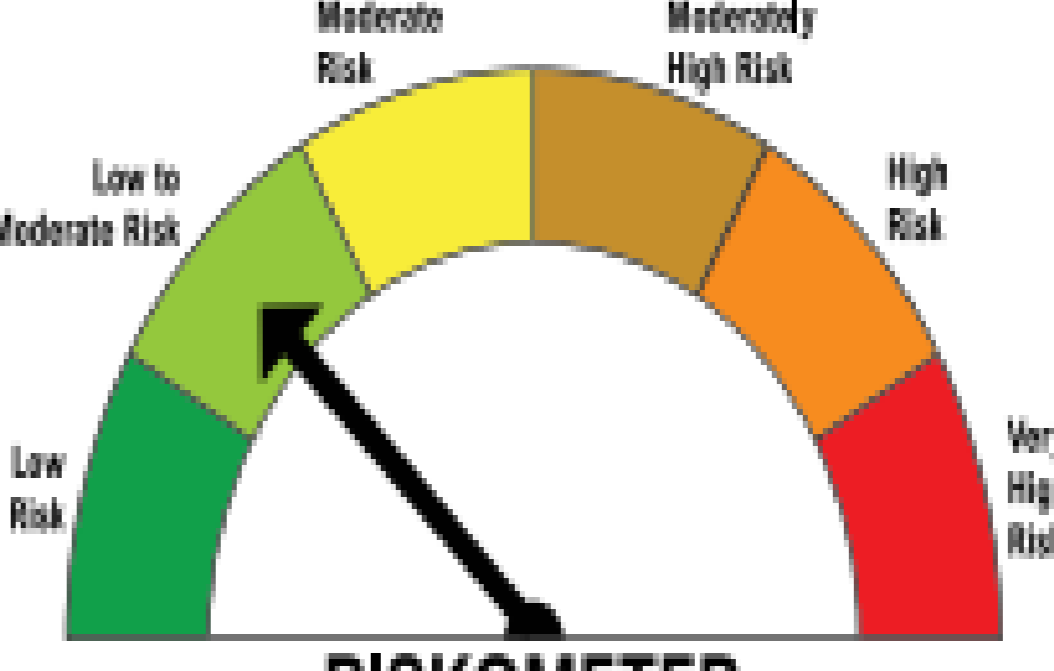
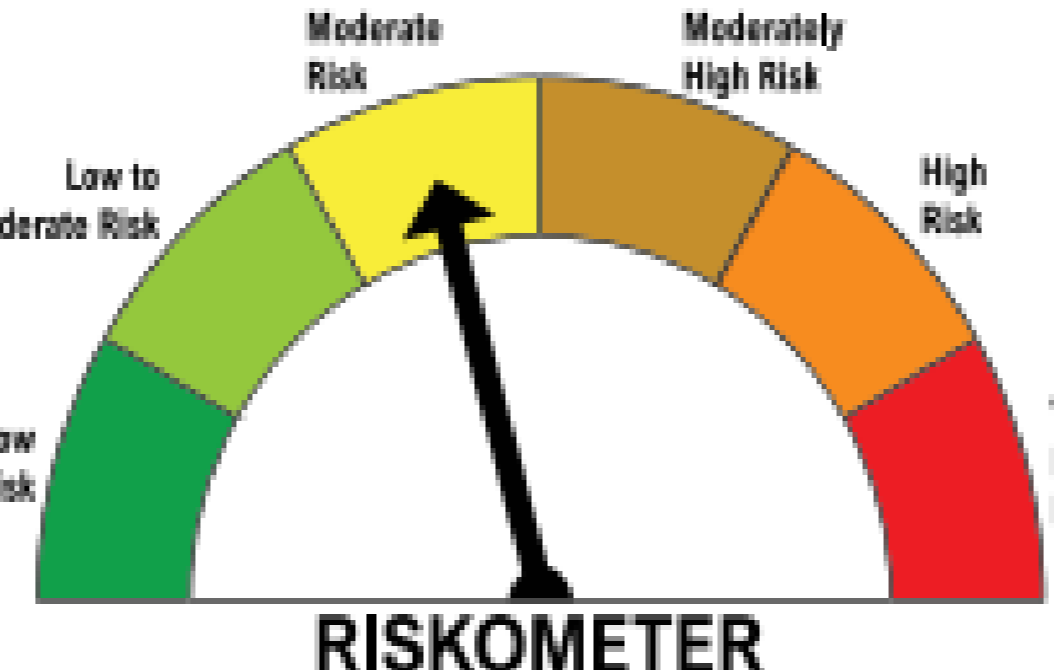
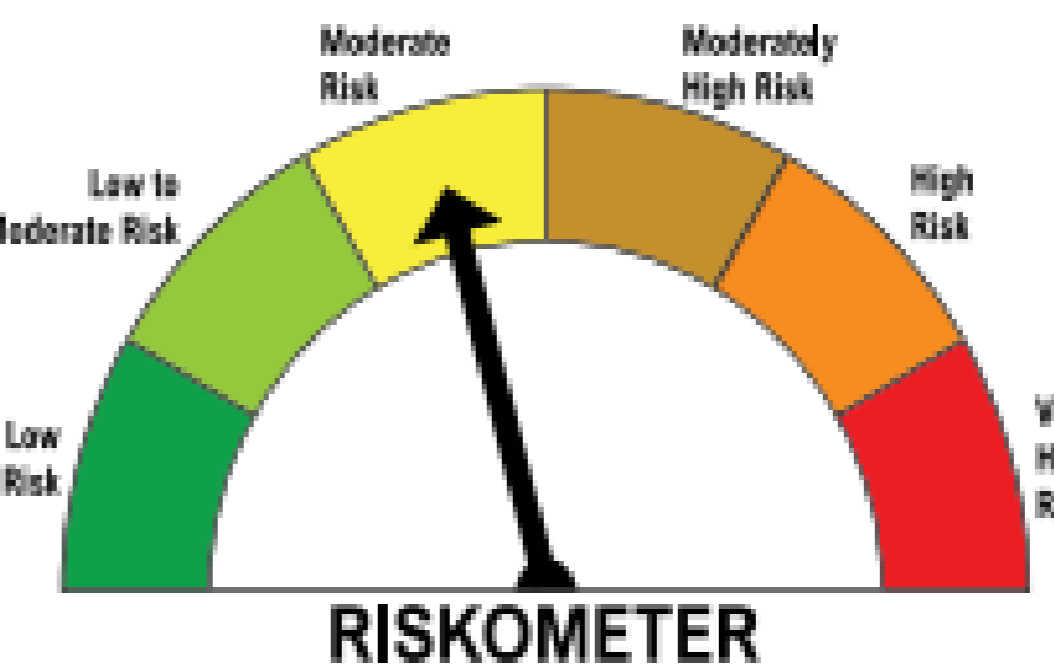
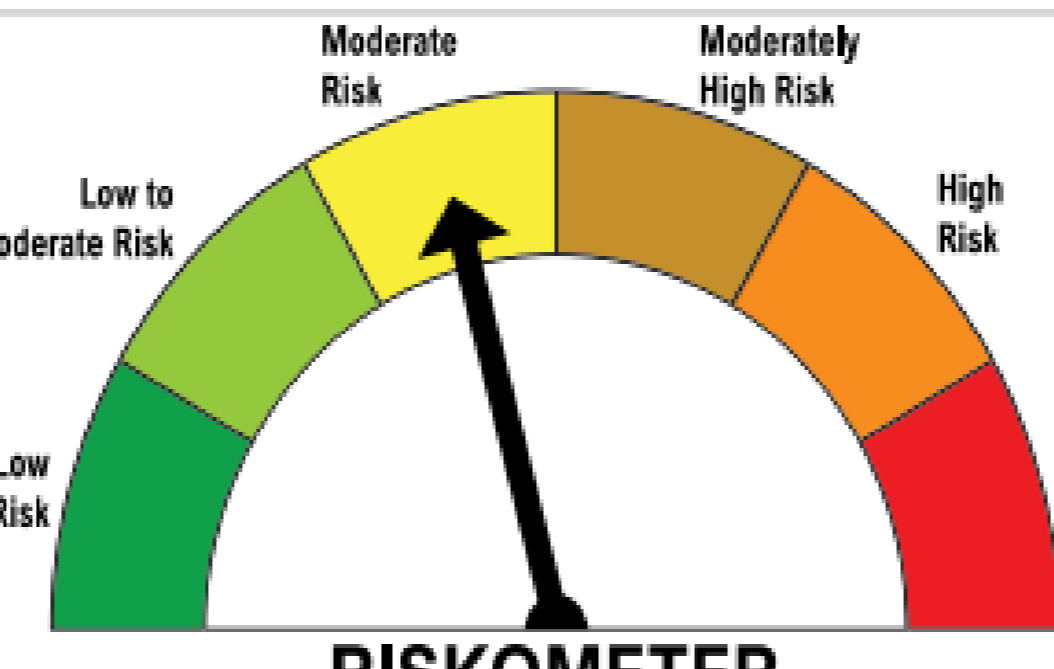
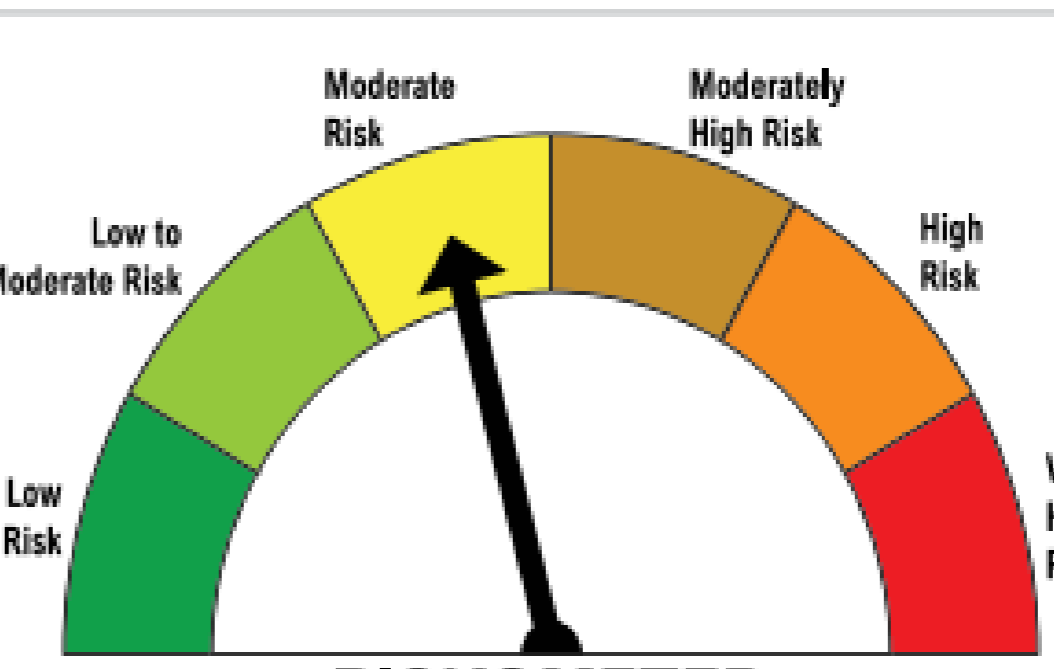
# Product labelling & Riskometer

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

# Product labelling & Riskometer

Scheme	Product Suitability	Riskometer of Scheme	Name of Benchmark	Riskometer of Benchmark
<p><b>DSP Nifty Private Bank Index Fund</b> (An open-ended scheme replicating/tracking Nifty Private Bank Index)</p>	<p>This product is suitable for investor who are seeking*</p> <ul style="list-style-type: none"> <li>Long-term capital growth</li> <li>Investment in equity and equity-related securities covered by Nifty Private Index, subject to tracking error.</li> </ul> <p>*Investors should consult their financial advisors if in doubt about whether the scheme is suitable for them.</p>	<p><b>RISKOMETER</b> THE RISK OF THE SCHEME IS VERY HIGH</p>	Nifty Private Bank Index TRI	<p><b>RISKOMETER</b> THE RISK OF THE BENCHMARK IS VERY HIGH</p>
<p><b>DSP Healthcare Fund</b> An open ended equity scheme investing in healthcare and pharmaceutical sector</p>	<p>This Product is suitable for investors who are seeking*</p> <ul style="list-style-type: none"> <li>Long term capital growth</li> <li>Investment in equity and equity related Securities of healthcare and pharmaceutical companies</li> </ul>	<p><b>RISKOMETER</b> THE RISK OF THE SCHEME IS VERY HIGH</p>	BSE HEALTHCARE (TRI)	<p><b>RISKOMETER</b> THE RISK OF THE BENCHMARK IS VERY HIGH</p>
<p><b>DSP Dynamic Asset Allocation Fund</b> An open ended dynamic asset allocation fund</p> <p>#Please refer to Notice cum addendum dated August 08, 2024 for change in fundamental attribute of scheme with effect from September 21, 2024.</p>	<p>This product is suitable for investors who are seeking*</p> <ul style="list-style-type: none"> <li>Long-term capital growth</li> <li>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.</li> </ul>	<p><b>RISKOMETER</b> THE RISK OF THE SCHEME IS MODERATE</p>	CRISIL Hybrid 50+50 - Moderate Index	<p><b>RISKOMETER</b> THE RISK OF THE BENCHMARK IS HIGH</p>

# Product labelling & Riskometer

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



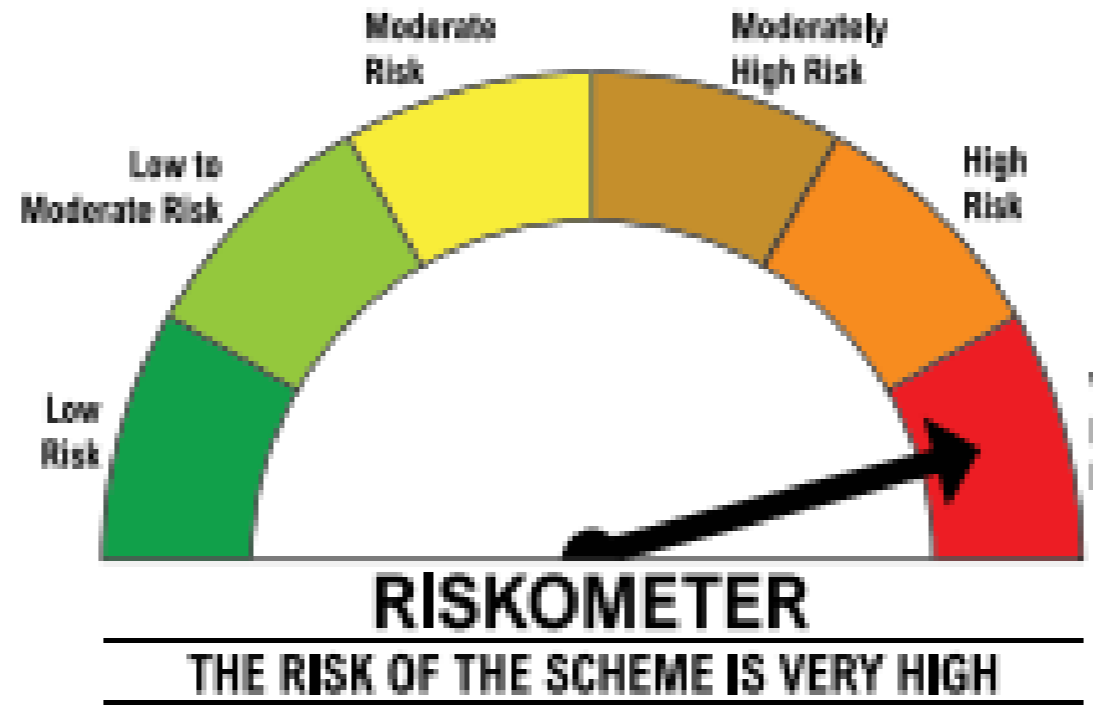
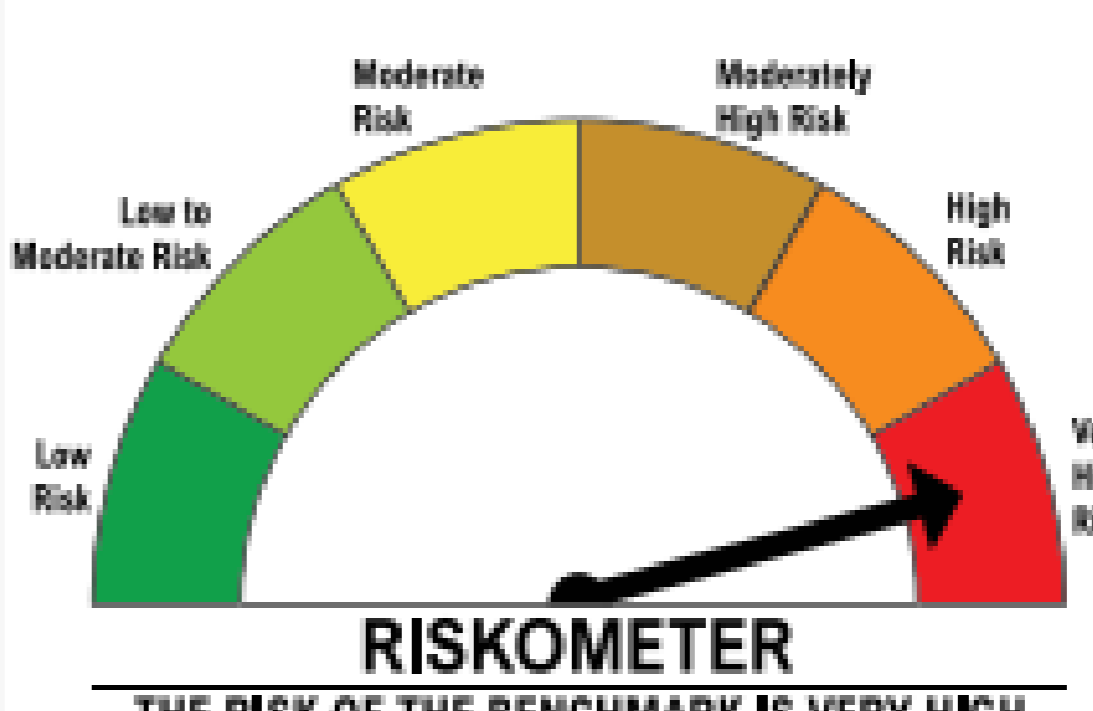
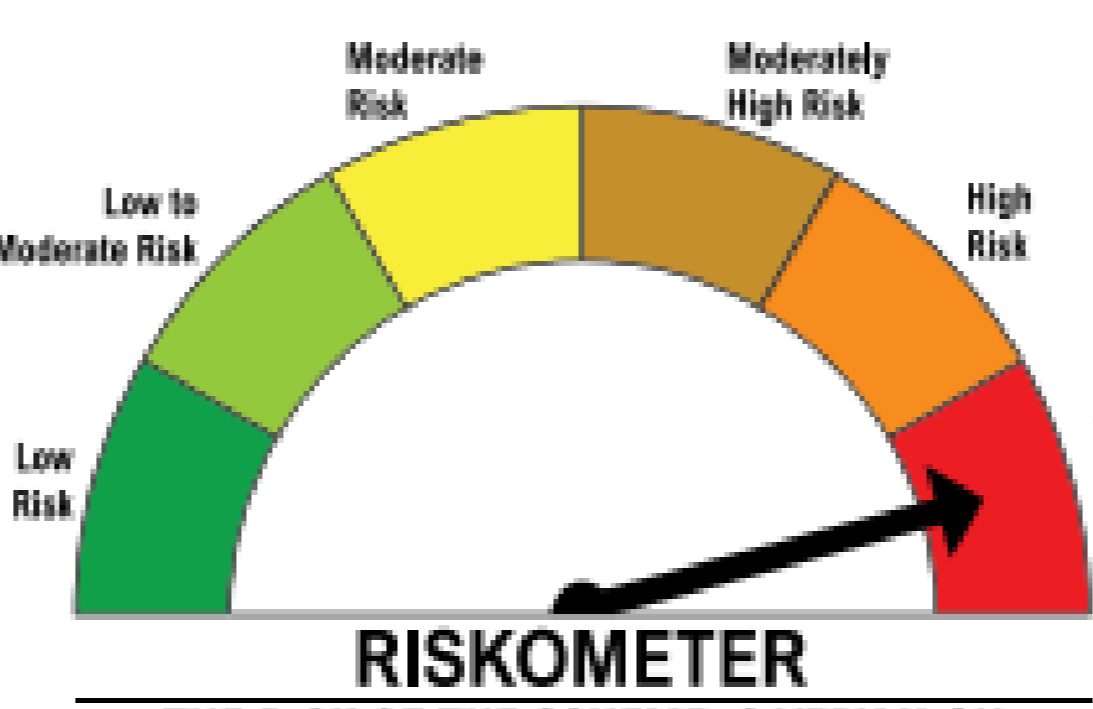
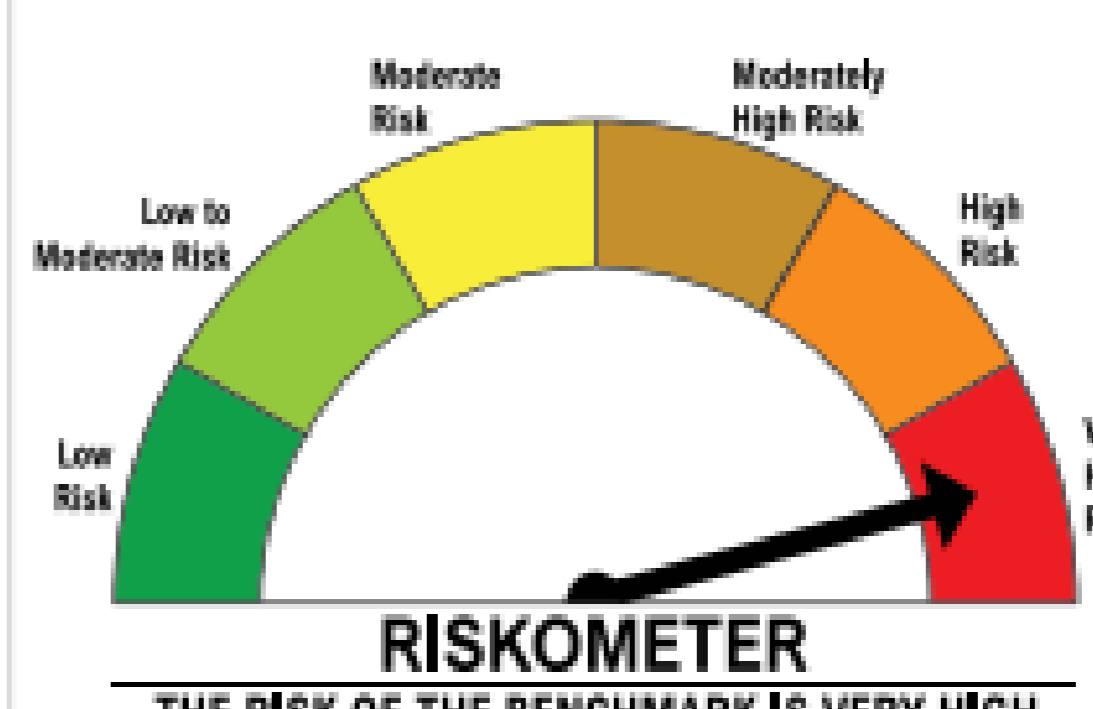
# Product labelling & Riskometer

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

# Product labelling & Riskometer

Scheme	Product Suitability	Riskometer of Scheme	Name of Benchmark	Riskometer of Benchmark
<p><b>DSP Equity Savings Fund</b></p> <p>An open ended scheme investing in equity, arbitrage and debt</p>	<p>This Product is suitable for investors who are seeking*</p> <ul style="list-style-type: none"> <li>• Long term capital growth and income</li> <li>• 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</li> </ul>	<p><b>RISKOMETER</b> THE RISK OF THE SCHEME IS MODERATELY HIGH</p>	<p>Nifty Equity Savings Index TRI</p>	<p><b>RISKOMETER</b> THE RISK OF THE BENCHMARK IS MODERATE</p>
<p><b>DSP Banking &amp; Financial Services Fund</b></p> <p>An open ended equity scheme investing in banking and financial services sector</p>	<p>This Product is suitable for investors who are seeking*</p> <ul style="list-style-type: none"> <li>• Long-term capital growth</li> <li>• Investment in equity and equity related securities of banking and financial services companies</li> </ul>	<p><b>RISKOMETER</b> THE RISK OF THE SCHEME IS VERY HIGH</p>	<p>Nifty Financial Services TRI</p>	<p><b>RISKOMETER</b> THE RISK OF THE BENCHMARK IS VERY HIGH</p>
<p><b>DSP Top 100 Equity Fund</b></p> <p>Large Cap Fund- An open ended equity scheme predominantly investing in large cap stocks</p>	<p>This Product is suitable for investors who are seeking*</p> <ul style="list-style-type: none"> <li>• Long-term capital growth</li> <li>• Investment in equity and equity-related securities predominantly of large cap companies</li> </ul>	<p><b>RISKOMETER</b> THE RISK OF THE SCHEME IS VERY HIGH</p>	<p>BSE 100 (TRI)</p>	<p><b>RISKOMETER</b> THE RISK OF THE BENCHMARK IS VERY HIGH</p>

# Product labelling & Riskometer

Scheme	Product Suitability	Riskometer of Scheme	Name of Benchmark	Riskometer of Benchmark
<p><b>DSP Silver ETF</b></p> <p>An open ended exchange traded fund replicating/tracking domestic prices of silver</p>	<p>This product is suitable for investors who are seeking*</p> <ul style="list-style-type: none"> <li>Portfolio diversification through asset allocation.</li> <li>Silver exposure through investment in physical silver</li> </ul>	 <p><b>RISKOMETER</b> THE RISK OF THE SCHEME IS VERY HIGH</p>	<p>Domestic Price of Physical Silver (based on London Bullion Market association (LBMA) Silver daily spot fixing price.)</p>	 <p><b>RISKOMETER</b> THE RISK OF THE BENCHMARK IS VERY HIGH</p>
<p><b>DSP Multi Asset Allocation Fund</b></p> <p>An open ended scheme investing in equity/equity related securities, debt/money market instruments, commodity ETFs, exchange traded commodity derivatives and overseas securities</p>	<p>This Product is suitable for investors who are seeking*</p> <ul style="list-style-type: none"> <li>Long-term capital growth</li> <li>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</li> </ul>	 <p><b>RISKOMETER</b> THE RISK OF THE SCHEME IS VERY HIGH</p>	<p>40% NIFTY500 TRI + 20% NIFTY Composite Debt Index+ 15% Domestic Price of Physical Gold (based on London Bullion Market Association (LBMA) gold daily spot fixing price) + 5% iCOMDEX Composite Index + 20% MSCI World Index</p>	 <p><b>RISKOMETER</b> THE RISK OF THE BENCHMARK IS VERY HIGH</p>



## Potential Risk Class matrix for debt scheme(s) of the fund

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

Scheme names	Potential Risk Class Matrix (PRC Matrix)			
DSP Savings Fund	<b>Potential Risk Class</b>			
	Credit Risk →	<b>Relatively Low (Class A)</b>	<b>Moderate (Class B)</b>	<b>Relatively High (Class C)</b>
	Interest Rate Risk ↓			
	Relatively Low (Class I)	-	<b>B-I</b>	-
	Moderate (Class II)	-	-	-
	Relatively High (Class III)	-	-	-
DSP Short Term Fund	<b>Potential Risk Class</b>			
	Credit Risk →	<b>Relatively Low (Class A)</b>	<b>Moderate (Class B)</b>	<b>Relatively High (Class C)</b>
	Interest Rate Risk ↓			
	Relatively Low (Class I)	-	-	-
	Moderate (Class II)	<b>A-II</b>	-	-
	Relatively High (Class III)	-	-	-

# Potential Risk Class matrix for debt scheme(s) of the fund

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

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

DSP CRISIL SDL Plus G-Sec Apr 2033 50:50 Index Fund	<b>Potential Risk Class</b>			
	<b>Credit Risk →</b>	<b>Relatively Low (Class A)</b>	<b>Moderate (Class B)</b>	<b>Relatively High (Class C)</b>
	<b>Interest Rate Risk ↓</b>			
	<b>Relatively Low (Class I)</b>	-	-	-
	<b>Moderate (Class II)</b>	-	-	-
	<b>Relatively High (Class III)</b>	<b>A-III</b>	-	-

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**DSP** ASSET MANAGERS

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