DSP
ASSET MANAGERS

ANNUAL NOTE 2024

A WINNING TEAM

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While growing up one of the most common outdoor activities has been cycling for most of us. The memories of learning to balance on two wheels, accompanied by inevitable falls, resonate with each of us. The true joy, however, emerges when we overcome those falls and experience the exhilaration of cruising for the first time. Take a moment to revisit that cherished memory. Little did we anticipate that cycling, rooted in our childhood escapades, would evolve into one of the most esteemed sporting events globally.

Welcome to Tour de France! One of the toughest endurance events in the sporting calendar. Over 21 days of racing, each athlete will be pushed to their limits. While cycling may seem like an individual sport, victory here hinges on strong teamwork. The 176 riders starting the race are divided into 22 teams of 8, each team member strategically supporting their lead rider, utilising unique strengths to navigate challenges and ensure team success. Each rider's unique strengths contribute to the team's success. Beyond being a magnificent sporting event, the Tour de France is often likened to 'chess on wheels,' showcasing tactics, teamwork, dramatic moments, and stunning successes—a microcosm reflecting the challenges of human life.

Could your Investments Pedal to Success? "Insights from the Tour de France for a Thoughtful Portfolio Approach"

Lesson 1: It's all about the team

A winning formula is not about having one correct catalyst it's more about a series of contributions leading to the outcome. Variety plays a similarly important role in investing. Think of putting together your portfolio a bit like picking a Tour de France 'dream team'. You'll want different riders to support you at various points in the race. People to support you during a climb through the mountains, as well as on a flat sprint. By diversifying your portfolio across market cap segments, you can help to maintain a balance during different market conditions. But remember like a cycle through the mountains, the value of investments can go down as well as up.

Lesson 2: Success doesn't need to be exciting

Investing does not always need to be exciting. Having a simplified approach could be rewarding as well. There will be ups and downs. Some investments will perform better than others. But the longer you stay invested in superior businesses, the higher your chances are of generating long-term wealth. The ability to hold your nerve across market cycles could be the biggest differentiator in your wealth creation journey. Having a thought-through strategy based on your risk appetite and staying focused on the end goal by ignoring the market volatility (noise) gives you a better chance of overall success. So be patient. Be stubborn. And don't be afraid of being boring along the way.

Tour de Markets: Navigating markets with precision.

In India, the strong domestic opportunities stands out as a crucial factor shaping our long term optimistic perspective on the economy. Despite the overall resilience in high-frequency growth data linked to domestic demand, two areas of concern have emerged recently: the vulnerability of rural demand within the broader consumption landscape and uncertainties surrounding the outlook for private capital expenditure amid the overall investment scenario, which we consider should see revival over time. Given the broad based economic recovery, the Indian mid and small-cap segments witnessed a notable surge north of ~40%+ in CY23. Another notable feature in CY23 was the rise of Public sector enterprises in India. These development has piqued the interest of investors, prompting questions about the factors propelling this ascent and, crucially, what the future holds for these segment. We will delve deeper into these aspects in the upcoming note.

Market Dynamics: Insights from 2023

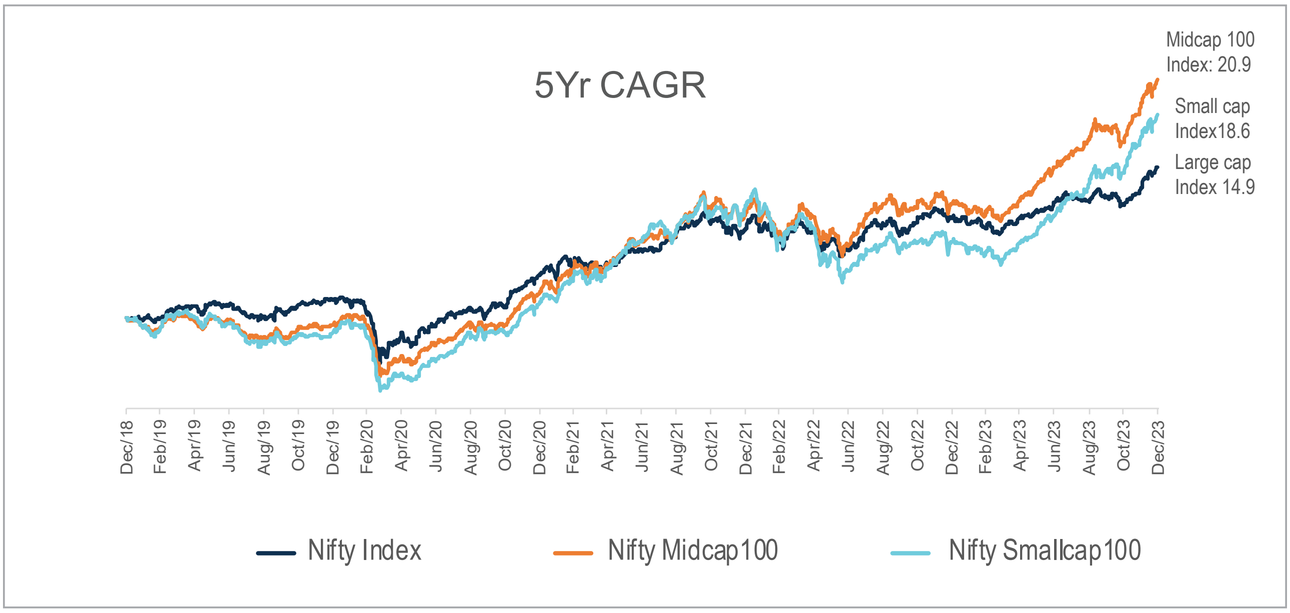
Futility of prediction: A year ago, no one could have anticipated the returns the markets delivered in 2023. The global economy proved more resilient than expected, inflation cooled faster than predicted, and companies retained most benefits of lower raw material prices, leading to higher margins. Above all, the positive sentiment for India continued, resulting in increased relative multiples.

Source: Internal, Bloomberg

Below is a trending post which strongly establishes that attempting to predict annual market returns is comparable to tossing a dart, particularly within a volatile environment with multiple dynamic variables. The alteration of even a single variable can substantially influence perspectives and outlooks, completely eroding the reliability of such predictions.

Source: Twitter

2023 - Year of Mid and Small-cap.



Source: Bloomberg, Internal

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Despite being more volatile Mid and small cap stocks have emerged as long-term winners. Over 5 years (CAGR) Mid-caps (Nifty Midcap 100) returned ~21%, Small cap (Small cap 100) ~18% and large caps (Nifty) ~14% highlighting their resilience and enduring success.

Further, a 7 year rolling returns analysis (table below) for Nifty Midcap 150 TRI Index (midcap) and S&P BSE 250 Smallcap TRI Index (smallcap) gives some interesting insights as follows :-

- On a 7 year rolling basis (Since Sep'12), the midcap index returned over 12% returns 76% times on a rolling basis and has delivered negative returns 0% times on rolling basis.
- Similarly the Small Cap Index on a 7 year rolling basis (since Sep'12) has delivered negative returns only 1.2% times and has shown more balanced matrix across different return bucket, displaying characteristics of being more volatile.

While it may not be ideal to examine historical returns for predicting future the results underscores the relevance of considering this category with a really long term view – lets say 7-8 years.

7 year rolling return statistics – data Sep'12 to Jan'24

	Rolling Returns				Rolling Returns Distribution (% of times)				
Funds and benchmarks	Min	Med.	Max.	STD Dev.	<0%	0-8%	8- 12%	12-20%	> 20%
Nifty Midcap 150 TRI	4.9	15.9	27.1	4.31	0.0	8.9	15.3	67.9	7.9
S&P BSE 250 Small Cap TRI	-1	9.3	20.7	4.67	1.2	38.6	28.0	31.7	0.4

Source: Bloomberg, Internal

In 2023, mid and small caps experienced significant run up, good quality and not so good quality– both. Our preference is towards quality midcap as we believe it provides more effective approach to wealth creation with reduced volatility and fewer drawdowns. Given the current scenario with elevated multiples which seems to be pricing in most good news, sticking to quality companies, understanding business cycles and valuations cycles in each sector becomes increasingly crucial. This is precisely what we are doing in our DSP Mid Cap Fund and DSP Small Cap Fund. We stick to good promoters, good businesses, we remain patient in low cycle so we reap benefit when industry cycle rebounds. While we can't entirely solve for rich valuations but we can control who gets your capital and that is precisely our focus. Our DSP Mid Cap Fund has ROE of ~19% and DSP Small Cap Fund has ROE of ~18% (FY24). Our advice for incremental small and midcap investors would be - exercise caution and don't compromise on quality.

The PSU outperformance is more than just a narrative:

The BSE PSU index has delivered a compounded annual growth rate (CAGR) of 28% (including dividends reinvestments) over a five-year period and has risen by approximately 60% in the last year. In comparison, the Nifty-50 index posted a CAGR of 16.7% and 20.5% during similar periods. The prevailing perception attributes this success to a clear government mandate and a hands-off management strategy for these PSUs, enhancing investor confidence. However, underlying data suggests that the operating performance of the PSUs already indicated a turnaround. Typically, substantial re-rating occurs when Return on Equity (ROE) exceeds the cost of capital. Hence, it's not surprising that stock performance for PSUs surpassed the underlying profit growth for these companies.

While initially cautious about significantly increasing our exposure to Public Sector Undertakings (PSU), recent data indicating improvements in operating performance has led us to augment our holdings in PSU companies. Our selection criteria, however, remain stringent, focusing on companies that meet our fundamental parameters. Should these PSU entities sustain efficient operations, we anticipate a continued trend of outperformance due to increased business opportunities. However, guided by their historical track record, we maintain a rigorous approach, maintaining high benchmark for ownership of PSU companies.

Operating performance of PSU companies across different sectors

GICS	Earnings Growth		ROE		
	FY14-19	FY19-24	FY14-19	FY19-24	Current
PSU Energy	4%	18%	17%	19%	27%
PSU Industrials	-1%	10%	10%	12%	13%
PSU Materials	1%	17%	6%	17%	20%
PSU Banks*	NA	NA	-2%	8%	14%
PSU Utilities	5%	5%	12%	12%	12%

* PSU banks as an aggregate were loss making in FY19, Source: Bloomberg, Internal

Inside DSP

A year of recovery: We embraced an active mindset in our approach as mentioned in our last year's Annual note 2023- It's a relative world. Building on the insights gained-recognising the inherently relative nature of the world. Notably, DSP strategies including DSP Top 100 Equity Fund, DSP Focus Fund, DSP Flexi Cap Fund, DSP Equity & Bond Fund, DSP India T.I.G.E.R. Fund and DSP ELSS Tax Saver Fund (erstwhile known as DSP Tax Saver Fund Saver Fund)[$$] have demonstrated marked improvement in their performances last year.

Approaches that yielded positive results for us:

- **Active Mindset:**
  We followed a focused approach selecting stocks from a bottom-up perspective, evaluating each stock on its merit and maintaining a high active share compared to the benchmark. This approach has yielded positive results, particularly in the case of DSP Top 100 Equity Fund, boasting the industry's highest active share of around ~60%. Similarly, the DSP Focus Fund, rejuvenated two years ago and operated as an absolute return high conviction strategy, has also thrived under this philosophy.

  Crucially, it's imperative to clarify that an Active Mindset doesn't equate to incessant churning within the fund. Instead, it signifies the mindset of fund managers as they navigate the strategy, engaging in an active evaluation process and taking rational decisions backed by data and evidence (supported by our team of analysts and tech platform "Jarvis") to build high conviction.

$$With effect from December 1, 2023, the scheme name has been changed from DSP Tax Saver Fund to DSP ELSS Tax Saver Fund.

- **A comprehensive viewpoint holds significance in the market; leveraging our tech platform alongside the expertise provided by our analyst team gives us a competitive edge:**
Due to the elevated valuations in the Indian markets, it is crucial to examine business cycles along with valuations cycles for a well-rounded perspective. Our investment team intensified utilisation of our proprietary platform, "Jarvis," to meticulously develop templates that aids in our analysis. Over the previous year, we identified the pharmaceutical sector as being in the trough of its cycle and expressed optimism regarding its prospects.

  Our healthcare analyst's quick analysis using his healthcare template derived from "Jarvis" revealed for most pharma companies the implied valuation from their international operations (particularly the US market) had significantly come off and negative in some cases. This was one of the important inputs for our hypothesis of going long on pharma sector which worked well. Our platform continues to generate such interesting data points thereby enhancing robustness of our research process.

Table 1

Transpose By Metric | Select peerset | Aggrega

Drag here to set row groups

Company	Date	↑ Implied exports EV/E mu...
407621	31-03-2022	
Supriya Lifescience...	31-03-2022	
Ami Organics Ltd	31-03-2022	
Sigachi Industries L...	31-03-2022	
Glenmark Life Scie...	31-03-2022	
Mankind Pharma Ltd	31-03-2022	
Lupin Ltd	31-03-2022	-3.78
Glenmark Pharmac...	31-03-2022	-1.39
Sanofi India Ltd	31-03-2022	6.69
Indoco Remedies Ltd	31-03-2022	7.37
Aurobindo Pharma ...	31-03-2022	8.43
Zydus Lifesciences ...	31-03-2022	9.07
Ajanta Pharma Ltd	31-03-2022	14.12
Cipla Ltd	31-03-2022	14.30
FDC Ltd	31-03-2022	15.17
Sun Pharmaceutica...	31-03-2022	15.76
Torrent Pharmaceut...	31-03-2022	17.77
Dr Reddys Laborat...	31-03-2022	18.19
Alembic Pharmace...	31-03-2022	20.16
Ipca Laboratories Ltd	31-03-2022	22.97
Alkem Laboratories...	31-03-2022	29.06
J B Chemicals & Ph...	31-03-2022	32.62

Source: JARVIS, Internal

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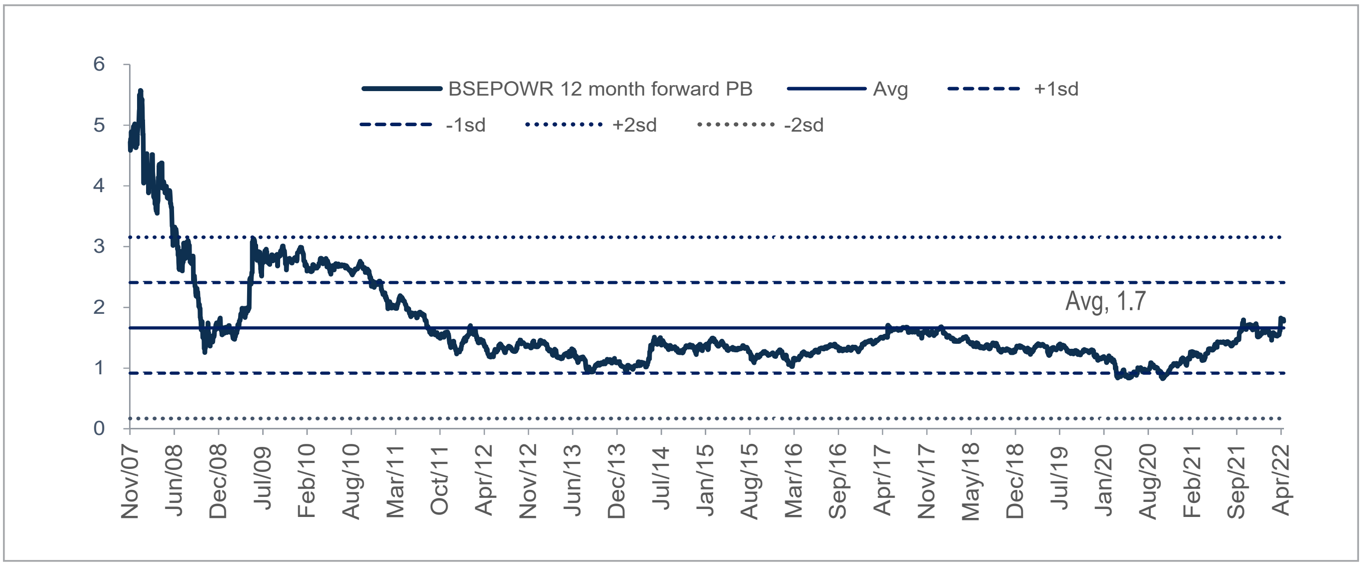
- **Analysing the supply side to capture the Power sector value chain:**
  Our analyst's thorough industry modeling within Jarvis platform provided intriguing insights into potential supply-side constraints in the Power sector. This enabled us to proactively invest in select companies early on, reaping the benefits. We would like to share key findings below:

  Power sector stock valuations had been impacted by dominance of public sector plays, private sector struggling to run capacities profitably and negative ESG view, resulting in S&P BSE Power index delivering -18% return over 2008-2020. Hence, the sector continued to trade below average PB multiples for a long time.

S&P BSE Power Index Valuations



Source: Bloomberg, Internal

We identified the big changes in the sector based on global trends. Coal-based power, previously viewed negatively in terms of ESG, emerged as an indispensable source of base load power for European nations. The utilities in Europe faced challenges with reduced gas supplies from Russia. Consequently, power prices in Germany and France soared to unprecedented levels, leading them to even consider burning low-grade coal to ensure a stable power supply.

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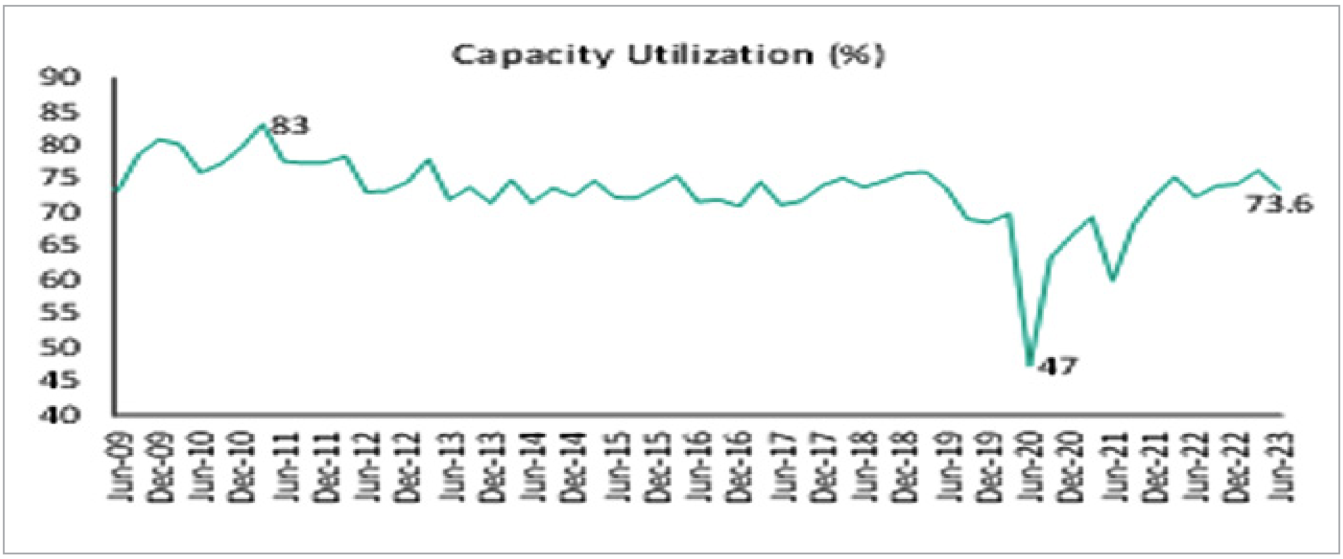
Germany spot electricity prices

Source: Bloomberg, Internal

In 2022, India was recovering from a period of subdued industrial activity, with the power demand growth over the last decade standing at 5.5%. The prevailing street expectation was that, based on trend analysis, the power demand growth might only see an improvement to 6.5%.

The manufacturing sector had been weak with low capacity utilisations



Source: Bloomberg, Internal

Nonetheless, our industry models, analysing the breakdown of power demand, revealed that India's shift towards increased manufacturing, coupled with rising domestic demand driven by cooling requirements, would result in substantially higher demand growth of 7-8%. Furthermore, with lower capacity additions in the last 5-8 years (18 GW per annum addition till FY12-16 reduced to 4 GW per annum addition in FY17-23) and a heightened focus on renewables, peak load deficits are anticipated. This scenario necessitates significant catch-up capital expenditures by utilities, driving demand for essential equipment such as transformers, power cables, and EPC contractors. Our funds did benefit from investments in some of these segments early on.

Our misses

We have gone through a rough patch in some of our strategies, notably the DSP Mid Cap Fund and DSP Dynamic Asset Allocation Fund (DAAF). Throughout this period we have approached setbacks with an open mind, evaluated our misses and made changes while still staying true to the right principles of owning right companies available at reasonable valuations. We realised that we had gone wrong in the assessment of business cycles in few cases. However, with open mind we changed our opinions where data evolved, such as in case of the companies within the power value chain, PSU companies (as explained above), and tech companies (due to high cash flow yield). In a few other cases we held on to our views where we had conviction - e.g. healthcare companies. After enduring pain for a prolonged period, a few of these names are showing some signs of recovery in business performance - e.g healthcare companies, whereas in some cases the recovery remains elusive. The impact of these strategic changes is visible in the performance of these funds over the last 6 months with our relative gaps narrowing with the index. However, we acknowledge that a 6 month duration is relatively short and we remain committed to achieving more sustainable and enduring improvements gaining from our robust processes. In the meantime, just like we seek your patient capital we remain patient with good businesses and good management.

- **DSP's Forensic research codifying the framework in Jarvis:**

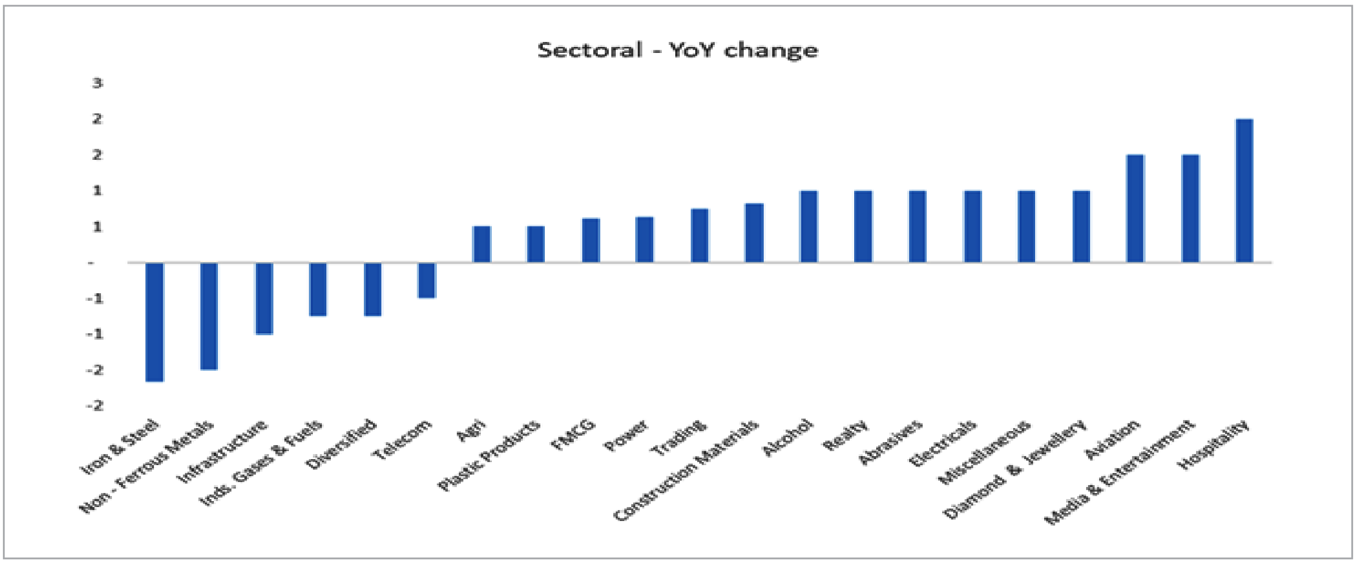
  As emphasised in our prior communications, the role of the sceptical analyst is crucial in our investment decision-making process. The adage holds true: "One cannot manage risk without identifying most of them." Our approach involves applying a sceptical and forensic lens to scrutinise both existing and potential investee companies and leverag publicly available information. This meticulous process helps take calculated risks and reduce biases in our decision-making.

Forensic analysis involves fact-based, evidence-driven research, delving deeper than surface-level observations to connect dots that may be overlooked. In some sense, it is an amalgamation of science and art. Our approach combines objective, data-crunching analysis with a qualitative assessment of management and promoters.

The culmination of our efforts is the integration of the scientific aspect of forensic research into “Jarvis”. The machine systematically evaluates over 50 forensic metrics within our established framework and materiality thresholds. With a simple click, the investment team can access these forensic scores to swiftly analyse any company or sector through a forensic lens. Regular updates, synchronised with reported financials upon the release of annual reports, ensure the provision of the most current insights for informed decision-making.

In 2023, despite our high conviction in the automobile sector, we refrained from investing in one of the auto companies which didn’t clear our forensic filters.

- **Sectors experiencing notable improvement and decline in scores in FY23.**



Source: Bloomberg, Internal

- **ESG highlights:**

In 2021, we publicly endorsed the United Nations Principles for Responsible Investments (UN PRI), solidifying our commitment to ESG principles. The subsequent year marked the formal adoption of our Responsible Investment policy, focusing on ESG integration and active ownership. We implemented ESG integration procedures, introduced our proprietary framework for evaluating companies, and covered over 90 companies. In 2023, we transitioned our UCITS fund to Sustainable Finance Disclosures Regulation (SFDR) Article 8 status, emphasising transparency on environmental and social characteristics. We voluntarily reported our Responsible Investment practices using the PRI framework. Our active ownership approach aims to mitigate ESG risks, create value, and engage companies through dialogue and voting. In 2023, our Equity Investment team participated in over 60 engagements addressing 35 ESG material issues, primarily focusing on climate, diversity, safety, and governance.

- **"Do good Be good"**

At DSP our steadfast commitment to the "Investors First" philosophy has consistently guided our actions. Aligned with this principle, we introduced the DSP Healthcare Fund during the trough of the pharma cycle in 2018 creating superior outcome for our investors and providing them with the opportunity to invest during the low business cycle. Similarly, the launch of the DSP Global Innovation Fund of Fund, a standout performer in CY23, coincided with the pinnacle of the global tech performance cycle. Our recommendation to invest exclusively through the SIP format aimed to leverage the benefits of cost averaging, proved to be advantageous for our investors. Almost 72% of our investors invested only via SIPs.

In September 2023, recognising the imperative to diversify across asset classes in the current environment of premium equity valuations, we unveiled the DSP Multi Asset Allocation Fund which has options to diversify across asset classes (included international equities, bond, and gold included). Our most recent offering, the DSP Banking & Financial Services Fund, is introduced at what we believe is an opportune time. We observe that Indian Banks are thriving in terms of growth, yet returns have remained subdued, offering a compelling valuation comfort. Additionally, recognising the significance of a diversified portfolio encompassing large, mid, and small caps, we recently introduced the DSP Multicap Fund. Despite the current preference for small and mid-caps, this multi-cap fund allocates approximately 50% to large caps, making it a recommended choice for investments, particularly in the SIP format.

It's important to understand that businesses revolve in cycles and so does fund performance. It is important to identify opportunities and back good management and good businesses across cycles for long term wealth creation. Investing in a fund is no different than investing in a stock, identifying good opportunities, and backing strong credible management (fund manager in this case). Every investor is also a fund manager. So, think long-term and evaluate your positions with a good investment philosophy. We believe that it's okay to be boring when it comes to investing as success doesn't need to be exciting.

You can read our fund managers' investment frameworks here:

Investment Frameworks

- Vinit Sambre
- Rohit Singhania
- Chirag Dagli
- Abhishek Singh

India's Future: 2024 and beyond

Predicting the future of equities in 2024 is challenging, but let's delve into key trends that are poised to influence India's trajectory in the next 5-7 years.

Young age population to be key demand drivers.

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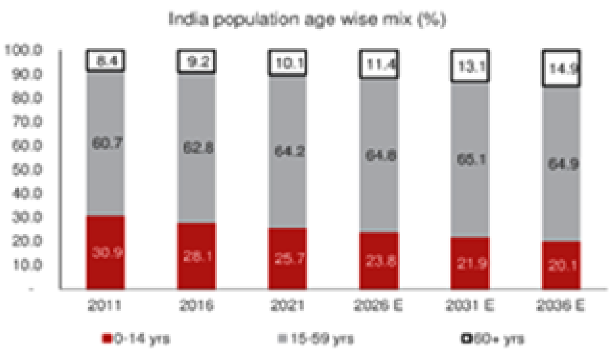
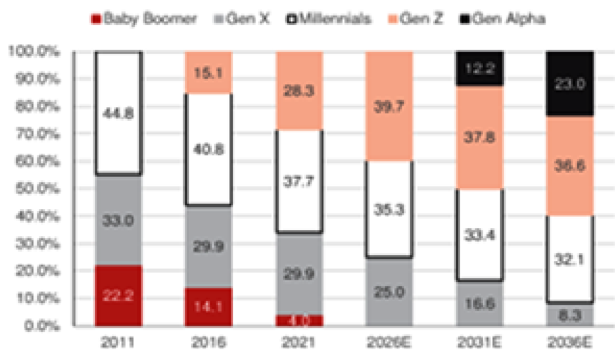
For FY31- almost 50% of the working population will be Gen Z + Gen Alpha.

Population mix (%)



Generation-wise working population split (%)



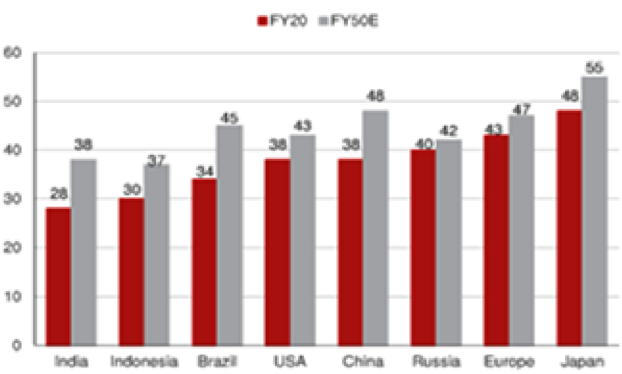
Source: MOSPI, Nomura research

Source: United Nations Population Division, Nomura research

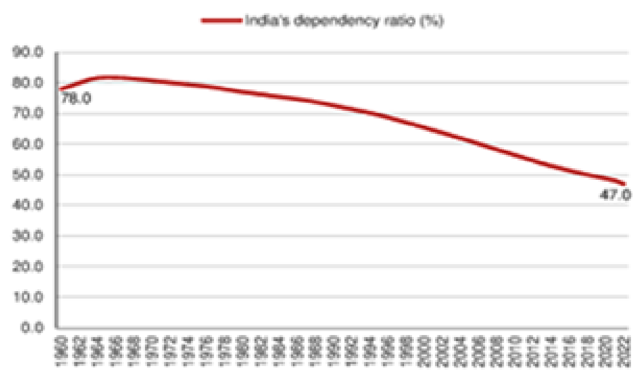
Given the increasing presence of the Gen Z and Gen Alpha cohorts, it becomes crucial to grasp the consumer behavior within these demographics and perceive the world through their lens. This suggests a growing inclination towards online shopping, sustained urbanization, the ongoing trend of premiumisation, a continual upsurge in discretionary spending, and a progressive dominance of women consumers in steering demand trends.

India has the lowest median age population

Median age data

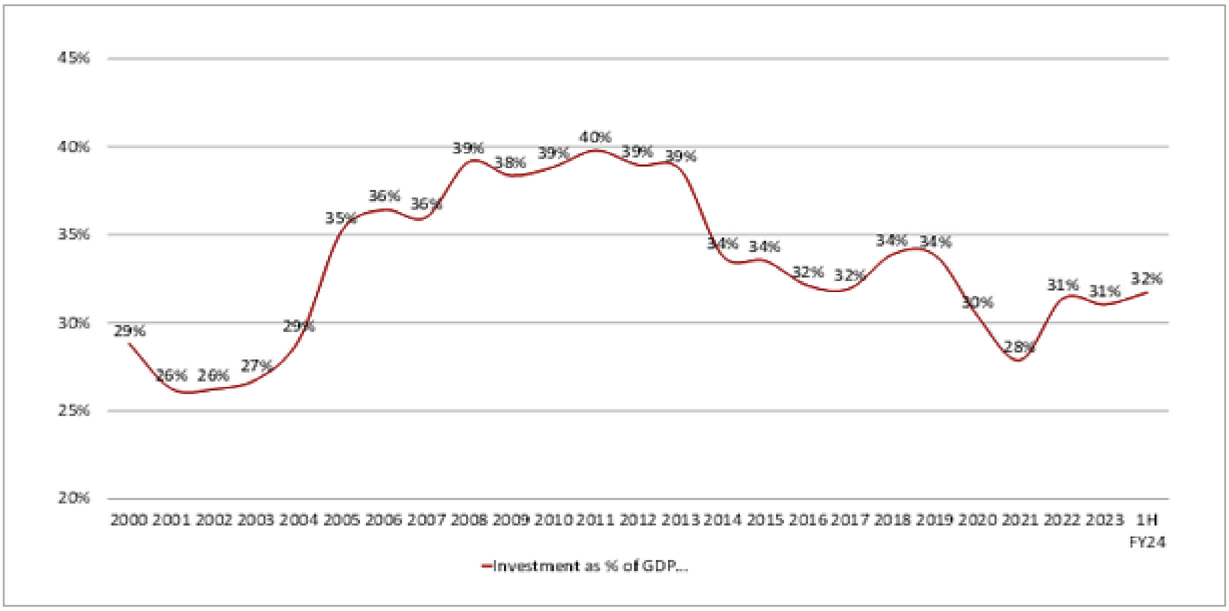


India's dependency ratio



While the global challenge of an aging population persists, India remains in an advantageous position with one of the lowest median population ages globally. With this demographic constituting a dominant segment of our population, we can anticipate a continuous increase in the working-age population and growing income levels. This not only ensures stability but also enhances the visibility of sustained growth over the coming years.

Investment – Where are we in the cycle



Source: Bloomberg, Internal

Investment expenditures have been on the ascent since reaching a trough in 2021. The resurgence of reforms, and an emphasis on manufacturing, energy transition, and supply chain diversification collectively indicate that the prevailing momentum is poised to endure.

Rise of domestic manufacturing

The Indian government has introduced a Rs. 2.4 trillion incentive package through the Production-Linked Incentive (PLI) scheme. Companies chosen for the PLI are expected to invest approximately Rs. 4.4 trillion over the next five years, potentially creating around 3.7 million jobs. Apple is set to shift 5% of its global production for the iPhone 14 to India later this year and aims to manufacture 25% of all iPhones within the country by 2025. India is steadily developing robust manufacturing capabilities, enabling an expansion of export prominence. This development is favorable from a current account standpoint and signifies a potentially less volatile currency.

Sector	Financial outlay US$ bn	Potential/committed Investment US$ bn
Mobile manufacturing	5.6	1.5
Medical devices	0.5	0.1
Kay starting material/bulk drugs	1	0.7
Automobile & components	3.6	5.7
ACC battery	2.5	6.1
Pharmaceutical drugs	2.1	1.4
Telecom & networking products	1.7	0.4
Food products	1.5	0.8
Textile products: man-made fiber & technical textiles	1.5	2.6
Specialty steel	0.9	5.4
White goods (Acs & LED)	0.9	1.1
Electronic/Technology products (IT hardware)	1	0.3
High efficiency solar panel modules	0.6	2.4
Semiconductor production	10.6	31.1
Total	**34.0**	**60**

Source: Bloomberg, Internal

While the aforementioned scenario appears picture-perfect, resembling a tale from a fairyland, we acknowledge that reality may not align seamlessly in a distorted world. We consistently emphasise the importance of rationality in investment decisions, recognising the need to navigate uncertainties and complexities.

India does offers an exceptional long-term investment opportunity. Investors should however remain vigilant in light of a shifting landscape marked by decelerating global growth, rising global interest rates, persistent near-term dollar strength, and heightened geopolitical uncertainties. While India, with its primarily domestically driven growth, is expected to be relatively less susceptible to global macro risks in this changing environment, expectations needs to be appropriately set for the current year on the back of rich valuations.

We cannot predict how macros, sentiments or flows will evolve over the next year. We stay focused on what we can control. We continue to enhance our tools to analyse, track

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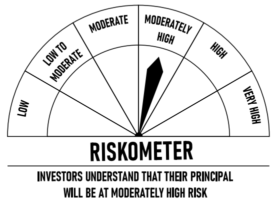
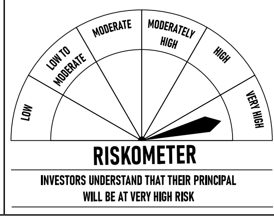
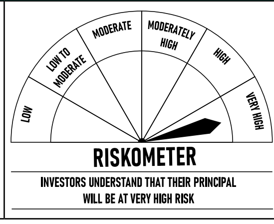
and value businesses in India and across the world. Bottom-up we are proactive. Top down, we are reactive. We do not try to predict but to react to large domestic or global macroeconomic events. Regardless of the environment, we are committed to our prudent investment management process and published frameworks for our funds. Like in Tour De France, at each stage of the rally, different riders play a crucial role in helping the team win. In those middle stages with steep slopes, specialists take over and face the headwind while riders behind benefit from the slipstream. At DSP Mutual Fund, we recognise that there will years where 'value' will deliver better outcomes compared to 'growth at a reasonable price'. There will also be years where some sectoral themes will deliver significant alpha. Our role, like a team in Tour de France, has varied talent to achieve the ultimate objective – deliver consistent, risk-adjusted long term returns for our unitholders. Our goal remains - improving financial outcomes for our 3.5 MN existing investors while also welcoming new ones who can benefit from our simple and disciplined approach to achieving their financial goals.

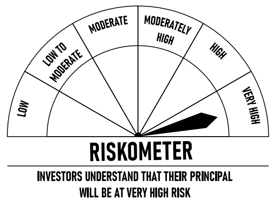
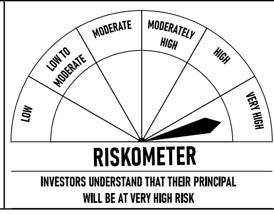
Happy 2024! Keep pedalling forward and strive for a better life with each passing year.

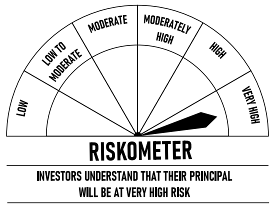
SCHEME	Product Suitability	Riskometer DSP Banking & Financial Services Fund	Riskometer of Benchmark Nifty Financial Services TRI
DSP Banking & Financial Services Fund An open ended equity scheme investing in banking and financial services sector	This scheme is suitable for investors who are seeking* • Long-term capital growth • Investment in equity and equity related securities of banking and financial services companies		

SCHEME	Product Suitability	Riskometer DSP Dynamic Asset Allocation Fund	Riskometer of Benchmark CRISIL Hybrid 50+50 - Moderate Index
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.		

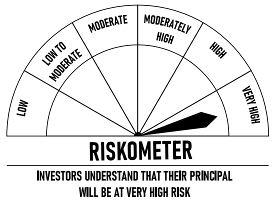
SCHEME	Product Suitability	Riskometer DSP ELSS Tax Saver Fund	Riskometer of Benchmark Nifty 500 (TRI)
DSP ELSS Tax Saver Fund (erstwhile known as DSP Tax Saver Fund)$$ An open ended equity linked saving scheme with a statutory lock in of 3 years and tax benefit	This Open Ended Equity Linked Saving Scheme is suitable for investors who are seeking* • Long-term capital growth with a threeyear lock-in • Investment in equity and equity-related securities to form a diversified portfolio		

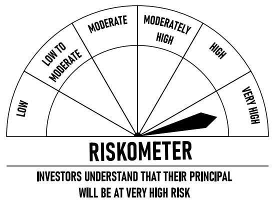
SCHEME	Product Suitability	Riskometer DSP Equity & Bond Fund	Riskometer of Benchmark CRISIL Hybrid 35+65-Aggressive Index
DSP Equity & Bond Fund An open ended hybrid scheme investing predominantly in equity and equity related instruments	This Open Ended aggressive hybrid scheme is suitable for investors who are seeking* • Capital growth and income over a longterm investment horizon • Investment primarily in equity/equityrelated securities, with balance exposure in money market and debt Securities		

SCHEME	Product Suitability	Riskometer DSP Flexi Cap Fund	Riskometer of Benchmark Nifty 500 TRI
DSP Flexi Cap Fund Flexi Cap Fund - An open ended dynamic equity scheme investing across large cap, mid cap, small cap stocks	This Open Ended Scheme is suitable for investors who are seeking* • Long-term capital growth • Investment in equity and equity-related securities to form a diversified portfolio		

SCHEME	Product Suitability	Riskometer DSP Focus Fund	Riskometer of Benchmark Nifty 500 TRI
DSP Focus Fund An open ended equity scheme investing in maximum 30 stocks. The Scheme shall focus on multi cap stocks.	This Open Ended Equity Scheme is suitable for investors who are seeking* • Long-term capital growth with exposure limited to a maximum of 30 stocks from a multi cap investment universe • Investment in equity and equity-related securities to form a concentrated portfolio		

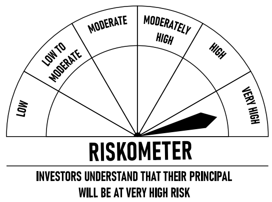
SCHEME	Product Suitability	Riskometer DSP Global Innovation Fund Of Fund	Riskometer of Benchmark MSCI All Country World Index (ACWI) - Net Total Return
DSP Global Innovation Fund Of Fund An open ended fund of fund scheme investing in Innovation theme	This Open ended Fund of Funds scheme (Investing In 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		

SCHEME	Product Suitability	Riskometer DSP Healthcare Fund	Riskometer of Benchmark S&P BSE HEALTHCARE (TRI)
DSP Healthcare Fund An open ended equity scheme investing in healthcare and pharmaceutical sector	This open ended equity Scheme is suitable for investors who are seeking* • Long-term capital growth • Investment in equity and equity related Securities of healthcare and pharmaceutical companies		

SCHEME	Product Suitability	Riskometer DSP Mid Cap Fund	Riskometer of Benchmark Nifty Midcap 150 TRI
DSP Mid Cap Fund Mid Cap Fund- An open ended equity scheme predominantly investing in mid cap stocks	This Open Ended Equity Scheme is suitable for investors who are seeking* • Long-term capital growth • Investment in equity and equity-related securities predominantly of mid cap companies		

SCHEME	Product Suitability	Riskometer DSP Small Cap Fund	Riskometer of Benchmark S&P BSE 250 Small Cap TRI
DSP Small Cap Fund Small Cap Fund- An open ended equity scheme predominantly investing in small cap stocks	This Open Ended Equity Scheme is suitable for investors who are seeking* • Long-term capital growth • Investment in equity and equity-related securities predominantly of small cap companies (beyond top 250 companies by market capitalization)		

SCHEME	Product Suitability	Riskometer DSP Multi Asset Allocation Fund	Riskometer of Benchmark 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
DSP Multi Asset Allocation Fund An open ended scheme investing in equity/equity related securities, debt/ money market instruments, commodity ETFs, exchange traded commodity derivatives and overseas securities	This scheme is suitable for investors who are seeking* • Long-term capital growth • Investment in a multi asset allocation fund with investments across equity and equity related securities, debt and money market instruments, commodity ETFs, exchange traded commodity derivatives, overseas securities and other permitted instruments		

SCHEME	Product Suitability	Riskometer DSP India T.I.G.E.R. Fund	Riskometer of Benchmark S&P BSE India Infrastructure TRI
DSP India T.I.G.E.R. Fund (The Infrastructure Growth and 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 and equity-related securities of corporates, which could benefit from structural changes brought about by continuing liberalization in economic policies by the Government and/or from continuing Investments in infrastructure, both by the public and private sector		

SCHEME	Product Suitability	Riskometer DSP Top 100 Equity Fund	Riskometer of Benchmark S&P BSE 100 (TRI)
DSP Top 100 Equity Fund Large Cap Fund- An open ended equity scheme predominantly investing in large cap stocks	This Open Ended Scheme is suitable for investors who are seeking* • Long-term capital growth • Investment in equity and equity-related securities predominantly of large cap companies		

SCHEME	Product Suitability	Riskometer DSP Multicap Fund	Riskometer of Benchmark Nifty 500 Multicap 50:25:25 TRI
DSP Multicap Fund An open ended equity scheme investing across large cap, mid cap, small cap stocks	This scheme is suitable for investors who are seeking* • Long-term capital growth • Investment in equity and equity-related securities of large cap, mid cap, small cap companies		

[$$]With effect from December 1, 2023, the scheme name has been changed from DSP Tax Saver Fund to DSP ELSS Tax Saver Fund.

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

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Mutual Fund investments are subject to market risks, read all scheme related documents carefully.