DSP

THE NAVIGATOR

What do I do with my money?

March 2024

Objective: Why Navigator?

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.

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Disclaimer: The sector(s)/stock(s)/issuer(s) mentioned in this document do not constitute any recommendation of the same and the Fund may or may not have any future position in these sector(s)/stock(s)/issuer(s).

The Drivers Of Returns

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

Navigating today: What Are We Saying?

1. Equity valuations remain stretched. The recent downtick in SMID stocks raises the possibility that markets are beginning to correct the over-valuations in this segment.

2. Growth is slowing. Nominal GDP is likely to be close to 10%*, tax growth is aligning to pre-covid levels, wage bill growth is slowing. These indicators suggest that topline growth for listed companies is likely to slow further. Profit margins are peaking. Hence, remain conservative and cautions. Allocate to equity only through hybrid funds or through staggered purchases.

3. Interest rates have declined somewhat. There could be a lull period until the central banks take a hard stance on reduced short term interest rates. Duration continues to remain attractive proposition in India and for US Treasury bonds.

4. Banking, particularly private banks, Healthcare, Auto and FMCG sectors are likely to do relatively better than the broader market. Focus on valuations should be the key.

5. Gold seems to be breaking out of a channel and is now at lifetime high. This could turn out to be the beginning of a bull market in precious metals.

*Source: Budget Documents. Data as on Mar'24. SMID- Small and Mid Cap, GDP- Gross Domestic Product

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Valuations: The Ticking Clock of Corrections

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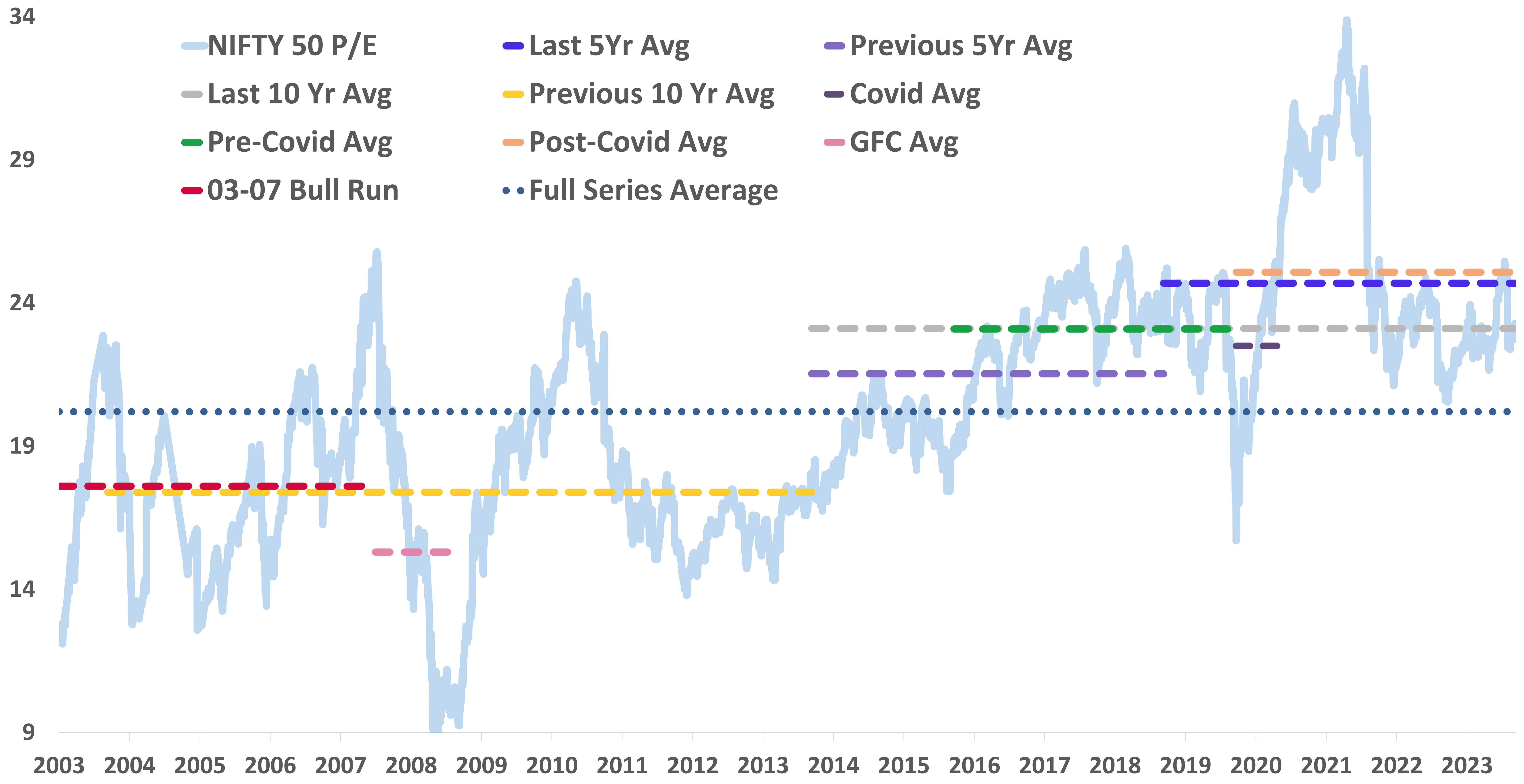
Market Excess Elevates Averages: Nifty PE Multiples Across Time Period

The current market enthusiasm has driven averages, to levels that exceed historical norms. The market is currently experiencing an unusual level of exuberance, which has propelled these averages to unprecedented heights.



Current	22.56
Last 5Yr Avg	24.69
Previous 5Yr Avg	21.53
Last 10 Year Avg	23.11
Previous 10 Year Avg	17.39
Covid Avg	22.50
Pre-Covid Avg	23.09
Post-Covid Avg	25.08
GFC Avg	15.30
03-07 Bull Run	17.60
Full Series Average	20.21

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Source: Bloomberg. Data as on 13 March 2024, red to green indicates worst to best

Nifty Data Stack: Most Barometers Indicate Overheated Readings

Most valuation indicators remain overbought and close to lifetime peak across time horizon.

- ***Nifty TTM PE Ratio***
  - *Current- 22.9x*
  - *Long term Average- 20x*
- ***Nifty Price to Book***
  - *Current- 3.7x*
  - *Long term Average- 3.3x*
- ***Earnings Yield (-) Bond Yield***
  - *Current- -2.7*
  - *Long-term Average- -2.1*
- ***Nifty Index Prem. Over EM Indices***
  - *Current- 46%*
  - *Long term Average- 50%*
- ***Market Cap to GDP***
  - *Current- 128%*
  - *Long term Average- 84%*
- ***PAT Margins***
  - *Current- 10%*
  - *Long-term Average- 10%*
- ***NSE 500 stocks above 200DMA***
  - *Number- 333*
  - *Percentage- 67*
- ***Nifty Index RSI***
  - *Weekly Timeframe- 39*
  - *Fortnightly Timeframe- 48*

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Source: Bloomberg as on 15th March 2024

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

TTM- Trailing 12 Months; PE- Price to Earnings; Prem- Premium; EM- Emerging Market; GDP- Gross Domestic Product; PAT- Profit After Tax; 200DMA- 200 Day Moving Average, RSI- Relative Strength Index

Earnings: Navigating the Downturn

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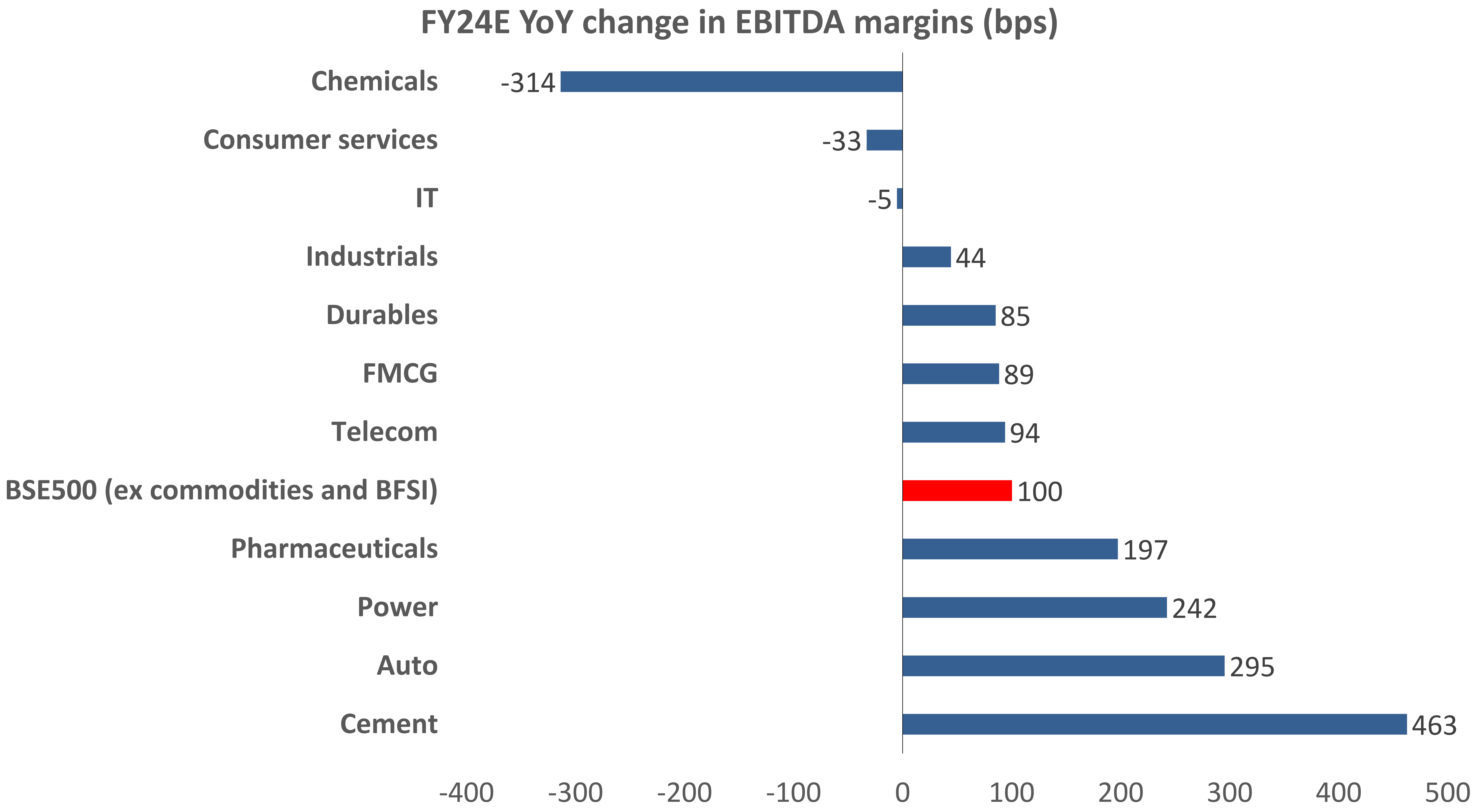
Margins Boost For Earnings, But Further Expansion Unlikely



The post COVID price cost cuts and large decline in credit costs helped net profit margins. The subdued WPI inflation levels over the last several quarters helped EBITDA margins recover from higher inflationary pressure of 2022 & early 2023.

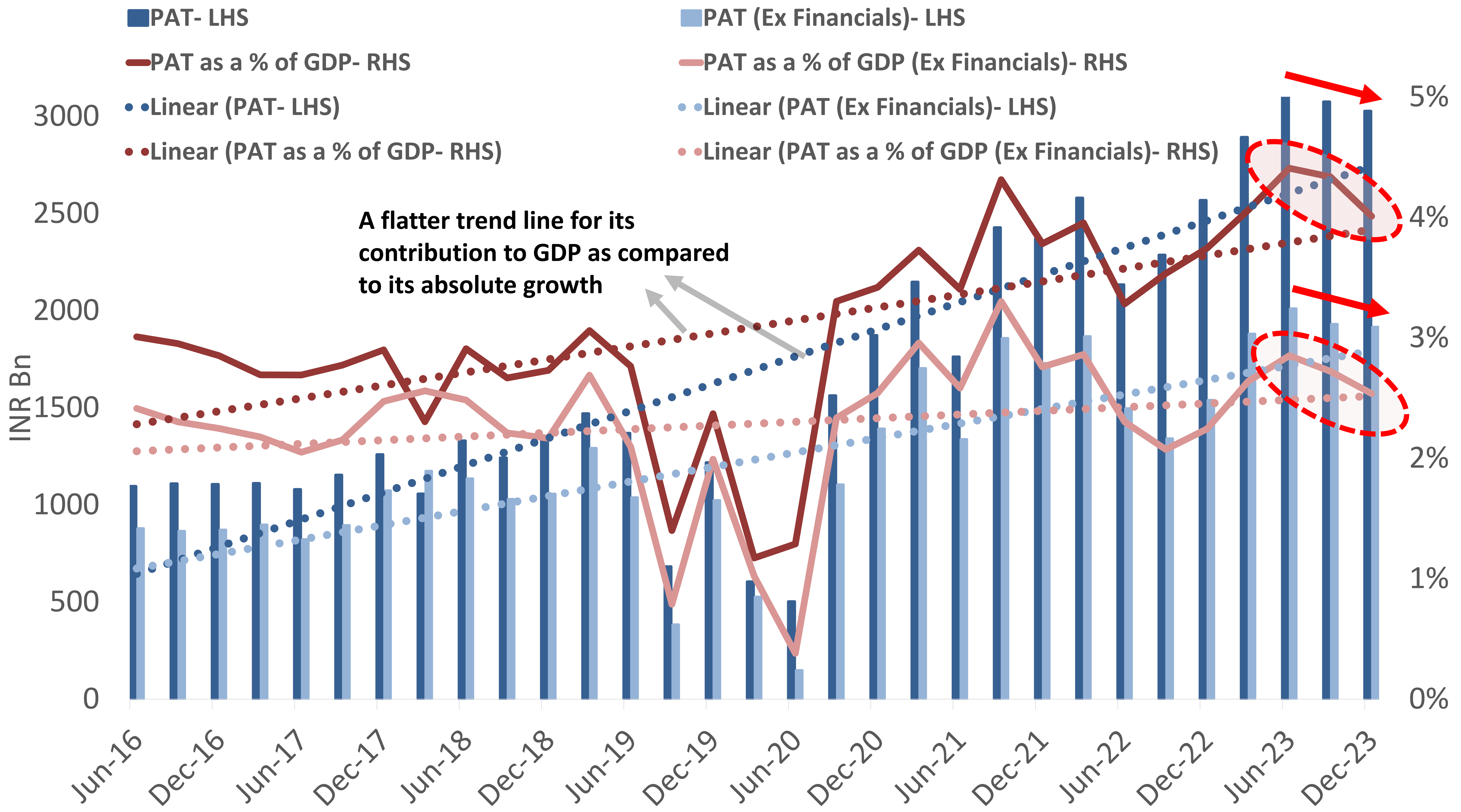
However, the margin expansion tailwinds appear to have run their course. Earnings growth of between 18% to 25% over the last 3 years would be hard to repeat for the broader set of firms.

Market expectation of 18% to 20% profit growth in FY25 & beyond appears stretched. Temper earnings growth expectations & hence return expectations.

Source: Bloomberg, Nuvama Research Estimates are Bloomberg Consensus. Data as on March 2024, EBITDA- Earnings before Interest, Tax, Dep and Amortisation
WPI- Wholesale Price Index

Assessing Earning Dynamics

While the absolute PAT has stayed rather steady, with only a slight fall, but is hardly able to keep up with GDP growth, and thus, the fall in its contribution to GDP



The breakneck earnings growth, post pandemic, is now slowing. Topline numbers like sales growth, nominal GDP are slowing. This is now reflecting in slowdown in the rate of change or slowing growth of earnings.

Markets love when the rate of change of growth of earnings is rising. That means the most bullish outcomes are seen when earnings growth is accelerating.

Currently, we are likely to see the reverse. Earnings growth has likely peaked and is now beginning to go back to its long-term trend. The last three years earnings growth CAGR of 25% is now likely sliding towards mid teens. This would be a drag and may interrupt the bull trend in progress.

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Source: Bloomberg, Investec Securities. Data as on March 2024, PAT- Profit After Tax

Macros & Flows: Growth, but at a Crawl. Is it Enough?

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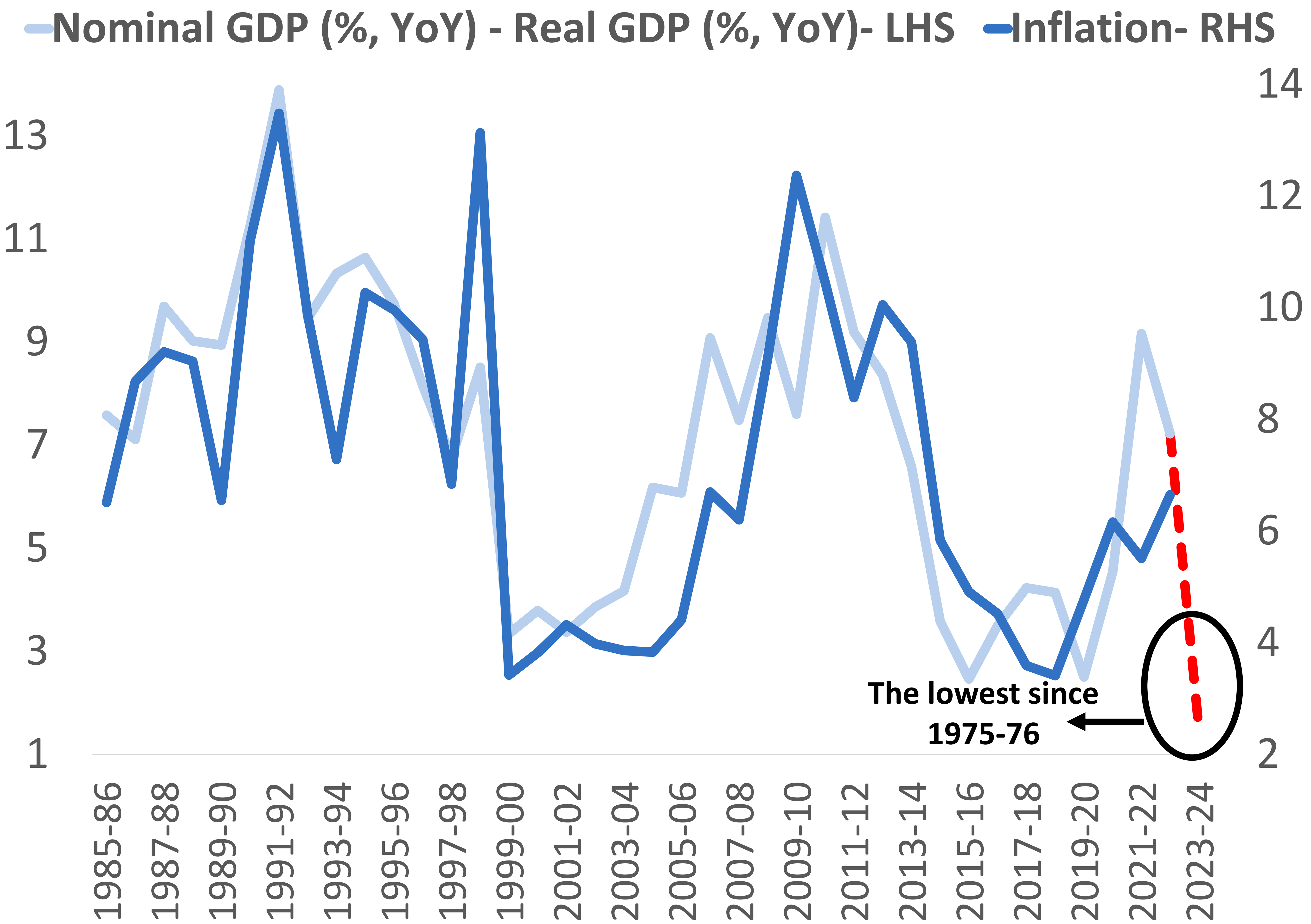
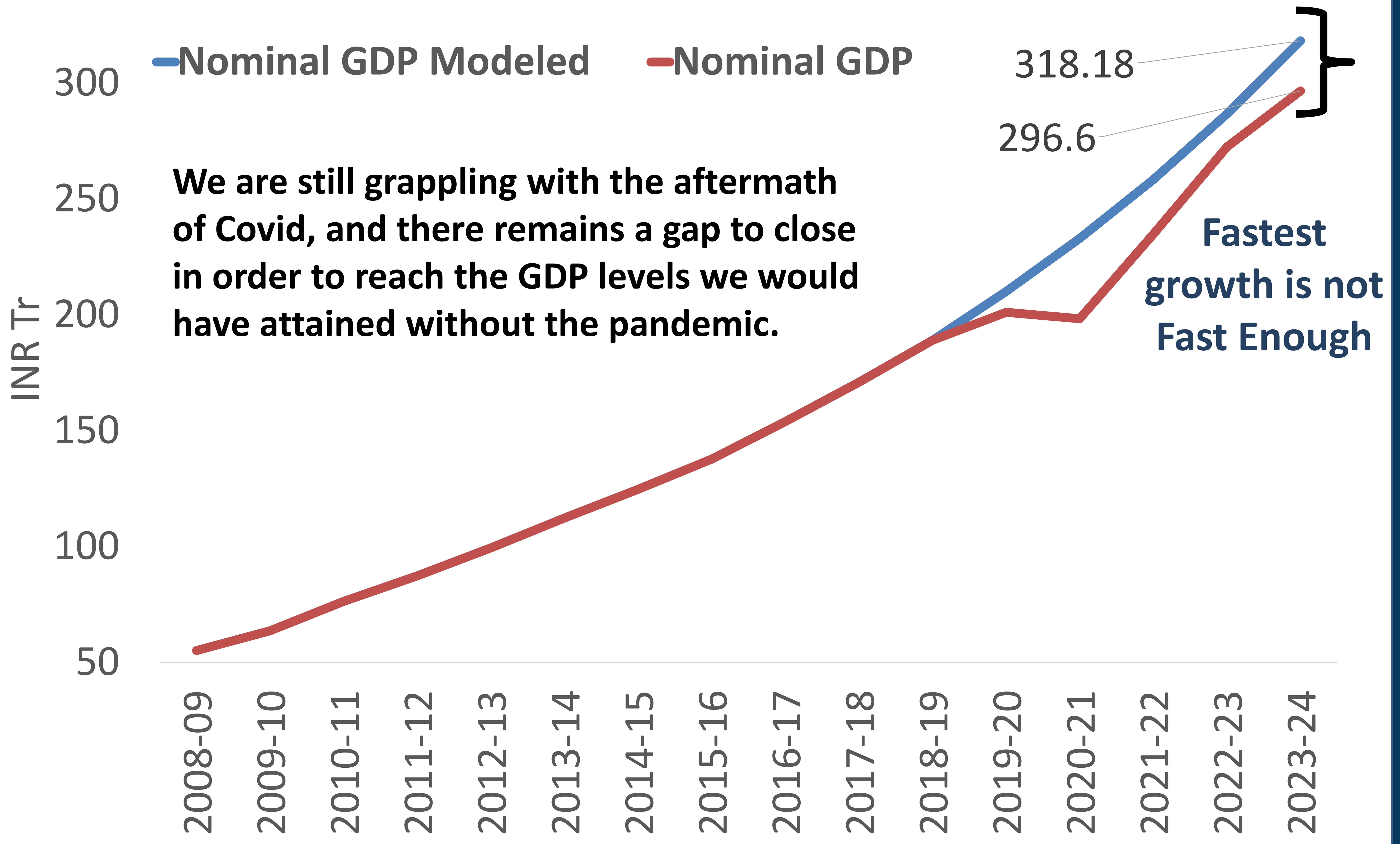
Growing in the Guise of Covid

While the two vectors have moved in tandem so far, the inflation is bound to drastically come down, if the budget estimates are to be believed at the level they are currently estimated, thus paving a sketchy path for India's growth prospects going forward.

While Real GDP grew by 8% YoY, this figure doesn't tell the whole story. If COVID hadn't happened, India's growth rate change would have stayed flat. Considering the FY2024 Nominal GDP is estimated at INR 297 trillion, this actually represents a lower growth of 7% against the modelled number.





Source: OECD, CMIE. Data as on March 2024

Tightening the Tightened?

The resolve to achieve the last mile of disinflation has been used to hide behind the unreasonable tightening. Not just a 250bps rate hike in less than a year, the risen rate is sustained for almost a year. The rate hike has already seeped into the system, evidenced by a consistently disinflating core number.

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Source: CMIE. Data as on 13 March 2024

Less is More

Forward Implied yield is a measure of forward premium on FX rate as a percentage of current rate. A lower Implied yield suggests a lower forward premium, thus a lower anticipated depreciation in INR (in relation to USD). The current level of implied yield of 1.77 is at a 15-year low. The resilience of Central Bank to maintain the FX Rate, with the minimal intervention could be one reason we have seen such large debt inflows, along with the critical upcoming bond inclusion for Indian Govt Securities.

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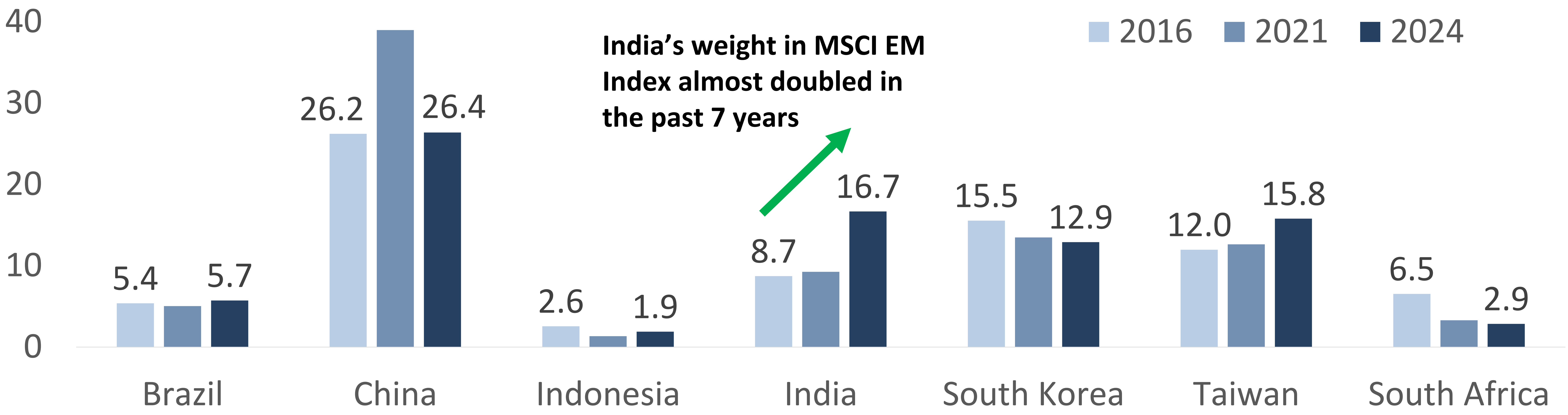
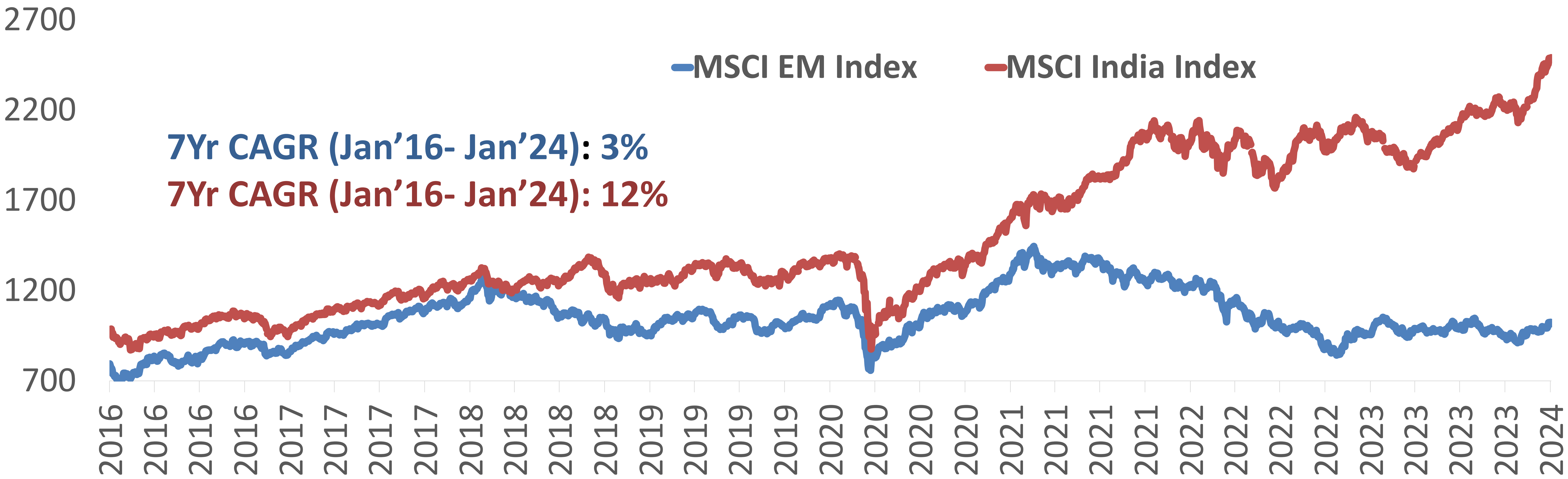
Source: Bloomberg. Data as on 13 March 2024

India's Rally Earns Bigger Slice of the Index





India jumping the ranks in MSCI EM Index, is primarily driven by the following factors:

1. Absolute Performance & therefore relative Performance versus peers
2. Free Float

MSCI India delivered a 4 times higher CAGR than that of MSCI EM Index. It is clearly a performance-led reward, i.e. India's upward price movement drove it's weight up in the index.

Beyond its own strong showing, India has also outperformed its emerging market peers. This relative strength positions Indian stocks as a more attractive option within the EM category. As a result, the index weighting adjusts to reflect this outperformance.

India's Free-Float has also increased, with greater number of new companies being listed, thus establishing more space for Indian Equity to grow, globally.

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Source: Bloomberg. Data as on 13 March 2024. CAGR – Compounded Annual Growth Rate.

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Interest Rates: Following Disinflation & Slowing Growth

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A Debt Deluge

Freedom from US Policy rates, and thus an exceptionally low interest rate differential is among the many things India is doing right. Despite of which India is receiving record levels of Foreign Debt Investment. While part of this influx can be attributed to the anticipatory flows for India's inclusion in Bloomberg and JP Morgan Bond Indices, and the stability of India's foreign exchange rate plays a significant role. However, there's a looming concern: once the US retreats from its hawkish monetary policy, the rate cut may be more pronounced for the US than for India. But the incoming Passive Foreign debt flows, could mean a reversion for the interest rate differential.

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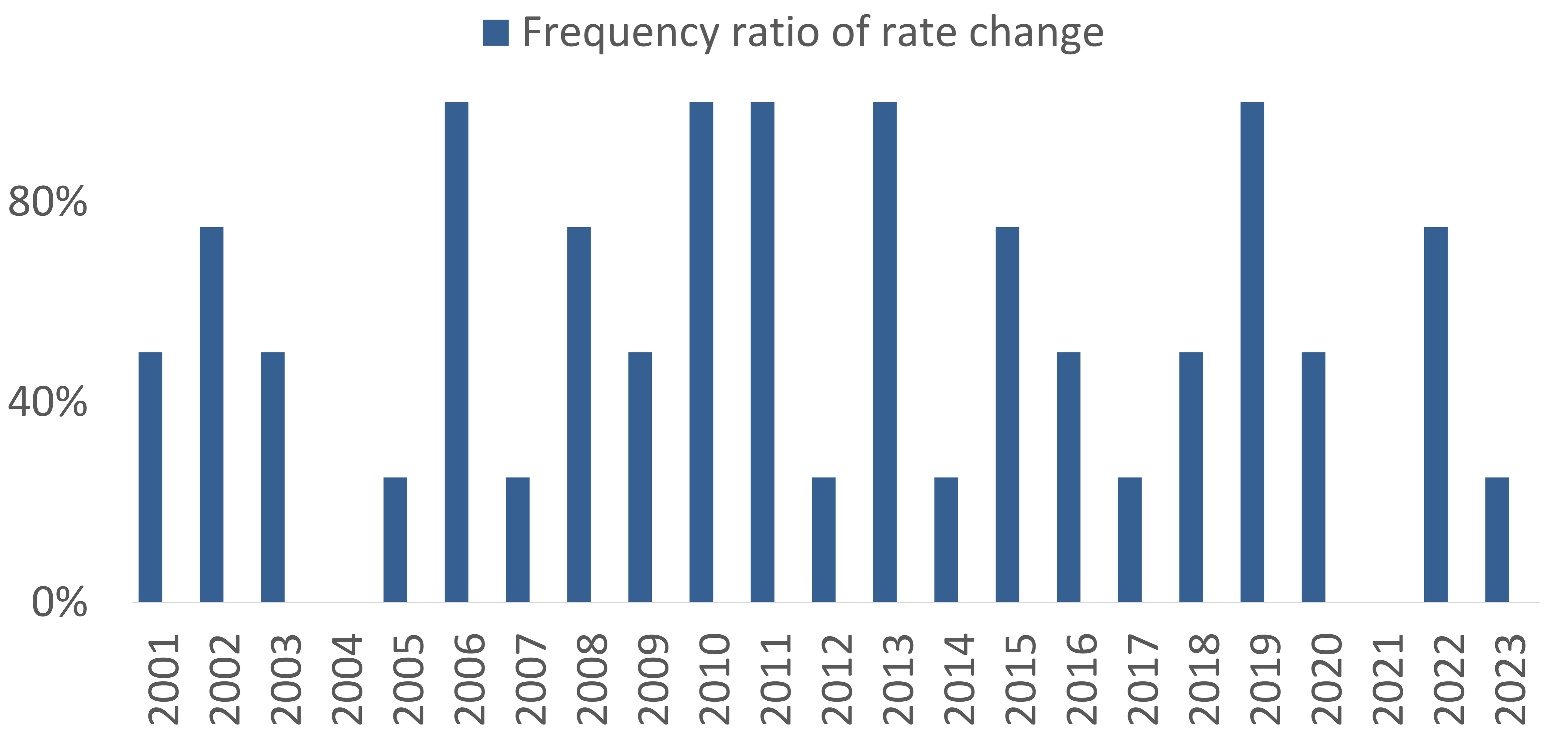
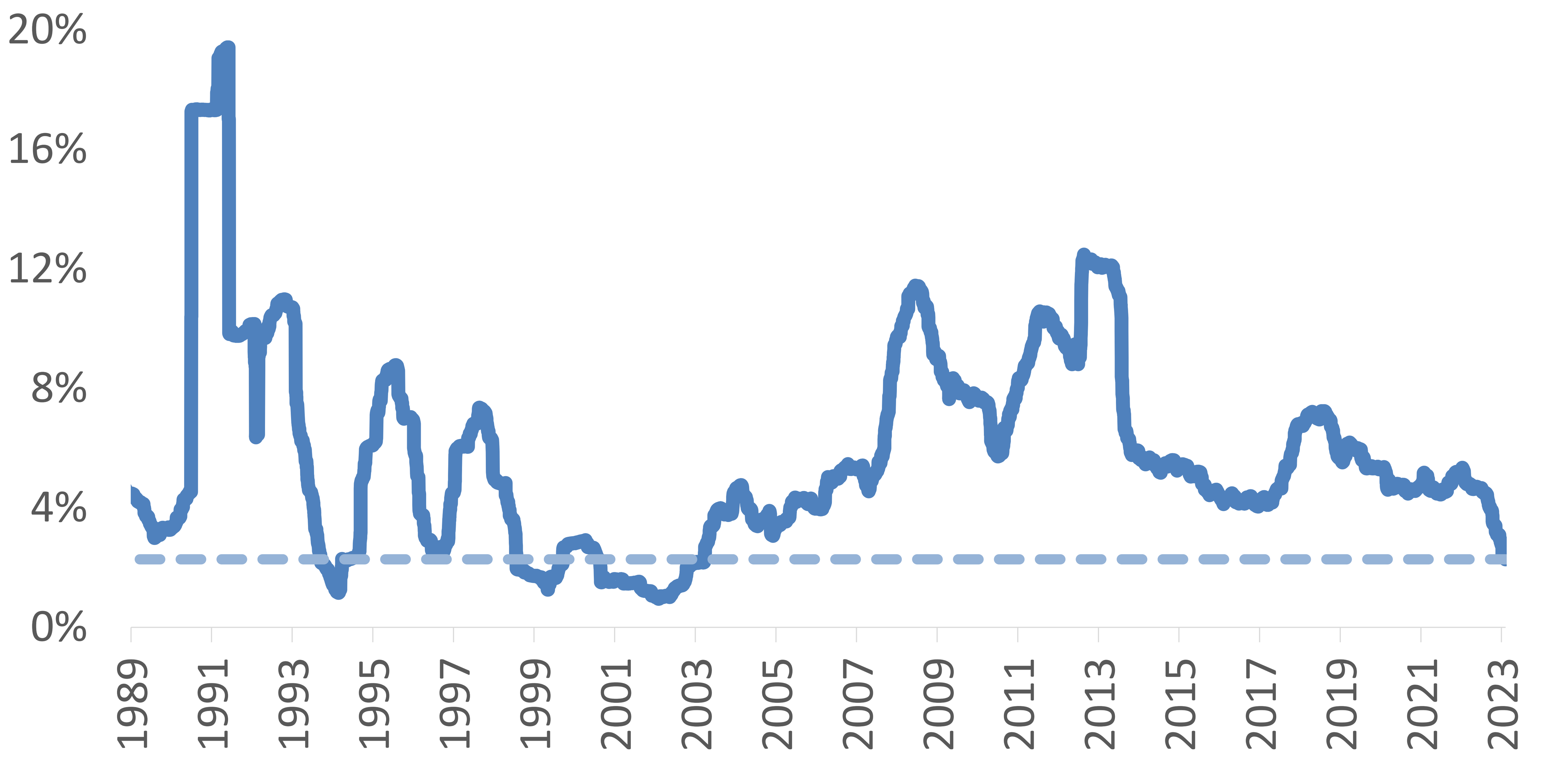
Source: Bloomberg. Data as on March 2024

What Trilemma?

RBI's frequency of rate change



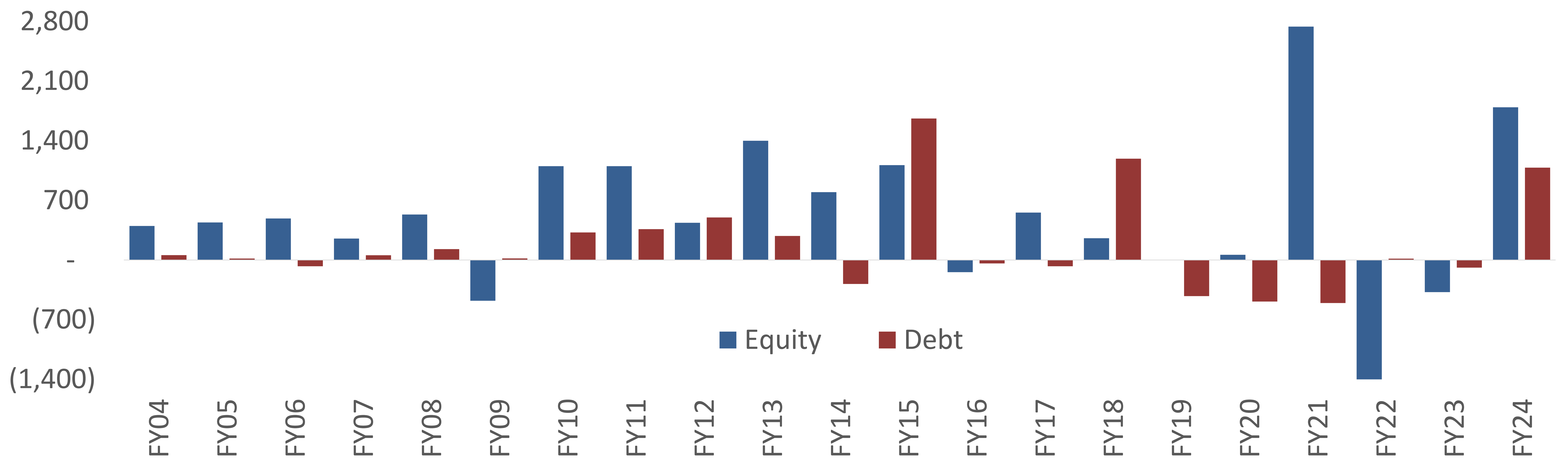
USD-INR 360-day volatility



Maintaining a stable foreign exchange rate amidst low volatility, alongside the RBI's autonomy in adjusting monetary policy, amid increasing foreign debt inflows, presents an ideal scenario.

However, the question arises: can this favorable setup be sustained over the long term? As more Foreign Institutional Investor (FII) debt flows enter the economy, will it be able to absorb them while keeping foreign exchange volatility and monetary policy independence intact?

Equity and Debt FII/FPI Flows into India



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Source: CMIE,NSDL. Data as on March 2024

FII/FPI- Foreign Institutional Investment/Foreign Portfolio Investment

Sectors: Linking Data Trends

Riding the Crest or Approaching the Trough?

Sectors	ROE		PE	
	FY 2024 Avg	Last 10 Year Avg	FY 2024 Avg	Last 10 Year Avg
Consumer Services	14.6	7.8	46.0	23.7
Textiles	19.3	19.1	32.3	22.0
Automobile and Auto Components	17.5	14.5	51.1	28.7
Consumer Durables	18.9	17.2	65.9	41.1
Realty	8.5	7.6	76.8	17.1
Media, Entertainment & Publication	1.5	6.6	21.6	63.5

Sectors	ROE		PE	
	FY 2024 Avg	Last 10 Year Avg	FY 2024 Avg	Last 10 Year Avg
Diversified	15.4	15.7	39.5	57.8
Industrials	17.7	12.5	51.1	22.7
Commodities	13.6	11.9	32.9	21.7
Healthcare	16.9	14.2	40.9	22.7
Utilities	22.8	2.4	81.3	29.1
Services	13.9	14.0	-7.5	22.7
Energy	24.5	19.9	21.4	20.9
Fast Moving Consumer Goods	24.9	22.1	50.7	39.9
Consumer Discretionary	15.8	12.9	57.6	32.4
Information Technology	22.1	21.0	39.5	19.4
Telecommunication	18.5	17.0	14.0	19.4

The recent surge in the market appears to be supported by an increase in earnings, evidenced by a premium in Return on Equity (ROE) over its 10-year average. However, it's crucial to note that earnings have begun to plateau and are showing signs of decline. This downward trend in earnings is inevitable, and once it takes hold, we can expect a ripple effect throughout the market, leading to a correction. Thus, while the quality in the boom has played it's part now, continued growth beyond this point is unsustainable and risks exposing the market to significant downturns.

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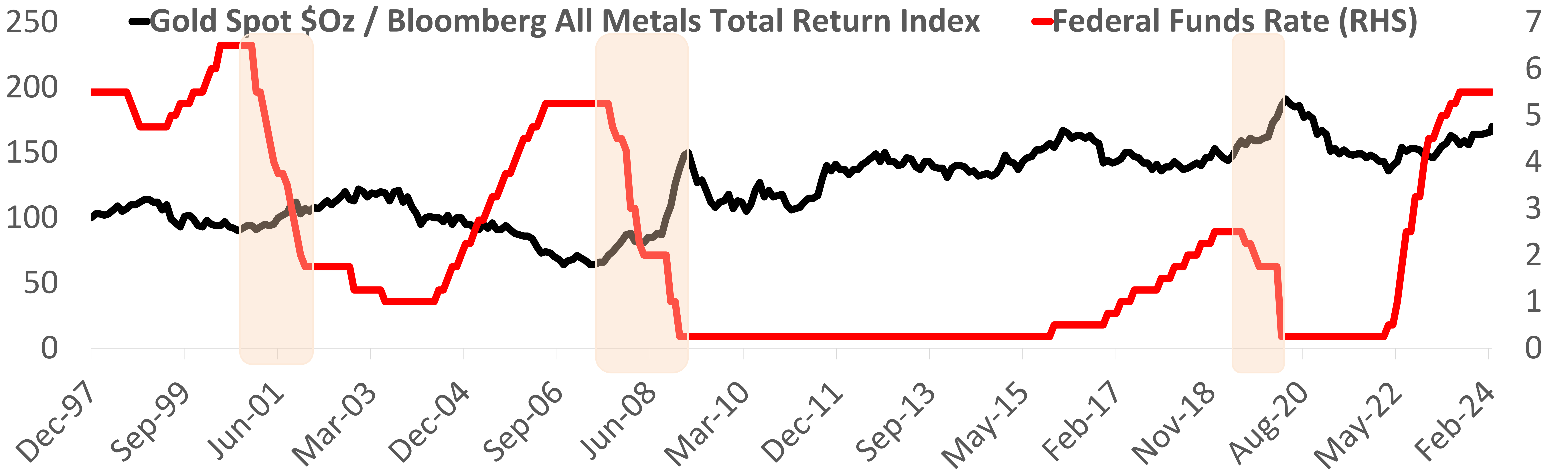
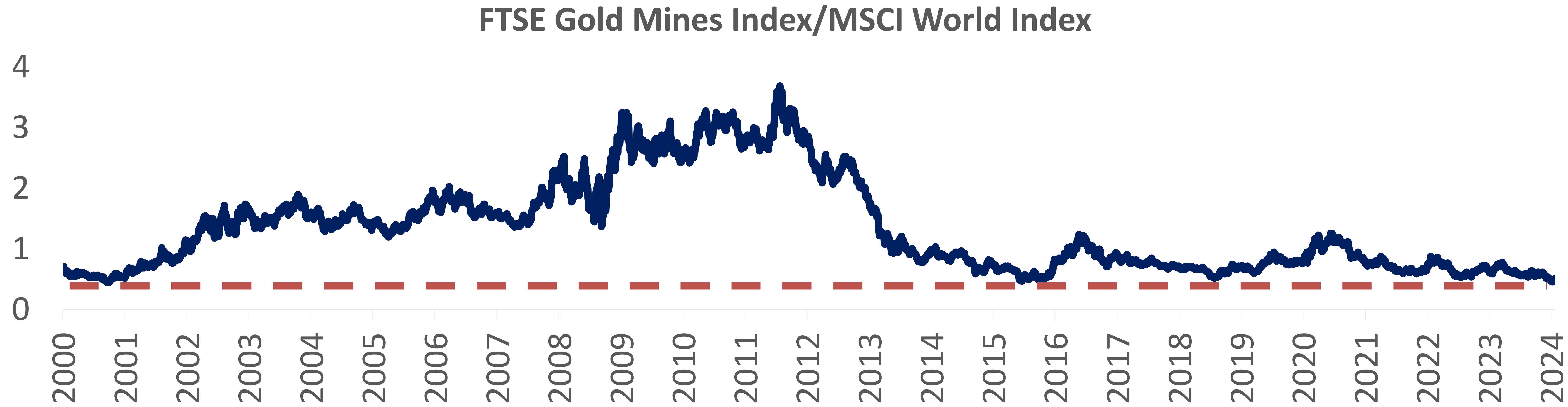
Source: Capitaline, DSP, Data as on Feb, 2024, ROE- Return on Equity, P/E- Price to Earnings Ratio, Avg- Average

All that Doesn't Glitter Can Sometimes Be Gold





Towards the end of the year, there is close to a 100% probability* of a 100bps cut of US Fed Funds Rate. Historically, whenever the Fed has cut rates, Gold has outperformed the Bloomberg All Metals Index.

Further, Gold Mining has evidenced a long-term underperformance. But such underperformance has been recorded in the past.
The current ratio of FTSE Gold Mines Index/MSCI World Index is 0.52. Previously, when the ratio of such low levels have delivered 1Yr Fwd Returns as follows:
November, 2000- 40%
Aug, 2015- 146%
September, 2018- 62%

On 11th March, 2024, Gold hit a record high of 2182 USD/oz. If this signals the beginning of a new rally, it could trigger the much-anticipated upsurge in the Gold Mining Sector.

Source: Bloomberg. Data as on March 2024. *CME FedWatch Tool as on 18th Match, 2024
Disclaimer: Past performance may or may not be sustained in future and should not be used as a basis for comparison with other investments. These figures pertain to performance of the index/Model and do not in any manner indicate the returns/performance of this scheme.

FII Equity Flows: Can They Sustain?

	In $ Bn					% contribution to inflows/outflows				
Flows	CY24 YTD	CY23	CY22	CY21	CY20	CY24 YTD	CY23	CY22	CY21	CY21
Auto	0.42	3.57	-0.09	0.07	0.90	-14%	17%	1%	2%	4%
Finance	-4.82	6.01	-8.11	-2.06	7.20	165%	29%	49%	-56%	31%
IT	0.80	-0.88	-9.27	-3.23	0.27	-28%	-4%	56%	-87%	1%
O&G	-0.01	-2.76	-2.82	0.59	0.92	0%	-13%	17%	16%	4%
Consumer*	-1.09	1.42	-1.28	3.80	5.23	38%	7%	8%	103%	23%
Utilities*	-0.03	0.97	1.02	2.33	-1.34	1%	5%	-6%	63%	-6%
Healthcare	0.58	1.50	1.77	-0.49	1.28	-20%	7%	-11%	-13%	6%
Industrials*	0.01	7.13	-0.01	0.99	1.01	0%	34%	0%	27%	4%
Metals	-0.28	-0.32	0.48	-0.27	0.04	10%	-2%	-3%	-7%	0%
Others	1.51	4.10	1.83	1.97	7.59	-52%	20%	-11%	53%	33%
Total	-2.92	20.74	-16.48	3.70	23.10	100%	100%	100%	100%	100%

In CY23, FPI flows for equities stood at 20.7Bn. After two consecutive years of outflows, the finance sector finally saw some inflows. Two months into CY2024, 80% of the $6Bn is already wiped out. While India has gained traction around the large debt inflows, the depressed equity risk premium might just feed into outflows from this segment.

Source: CMIE, Investec Research, DSP, Data as on 29 Feb, 2024, red to blue indicates worst to best data in that order
*Consumers- including Media, Utilities- Including Telecos, Industrials- including Cement, YTD- Year to Date, FPI- Foreign Portfolio investment

Let’s sum it up.

Asset Class View

- Equity: With SMIDs taking the initial hit, this could be the beginning of a ripple effect across the market. Exercise caution in this segment, as the valuations still remain stretched, awaiting corrections.

- Debt: Duration continues to remain attractive, awaiting the rate cut, in India as well as US.

- Commodities: Gold hit a record high of 2182 USD/oz. If this signals the beginning of a new rally, it could trigger the much-anticipated upsurge in precious metals.

Source: Bloomberg. Data as on Mar'24. SMID- Small and Mid Cap

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How To Position Your Portfolio?

Asset Allocation: Our recommendations

If you are

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

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

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Disclaimer: Above table is for illustration purpose only

Conservative Strategy

Portfolio: Conservative

Asset Class	Category	Fund	Allocation
Equity 25%	Index Fund	DSP Nifty 50 Equal Weight Index Fund	15%
	Flexi Cap Fund	DSP Flexi Cap Fund	10%
Alternate & Hybrid 15%	Multi Asset Allocation	DSP Multi Asset Allocation Fund	15%
Debt 60%	Money Market Fund	DSP Savings Fund	10%
	Short Duration Fund	DSP Short Term Fund	15%
	Dynamic Bond	DSP Strategic Bond Fund	35%

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Moderate Strategy

Portfolio: Moderate

Asset Class	Category	Fund	Allocation
Equity 55%	Large and Mid Cap Fund	DSP Equity Opportunities Fund	15%
	Large Cap Fund	DSP Top 100 Equity Fund	10%
	Sectoral Fund	DSP Healthcare Fund	10%
	Value Fund	DSP Value Fund	15%
	Thematic / Sectoral Fund	DSP Banking & Financial Services Fund	5%
Alternate & Hybrid 15%	Multi Asset Allocation	DSP Multi Asset Allocation Fund	15%
Debt 30%	Money Market Fund	DSP Savings Fund	5%
	Short Duration Fund	DSP Short Term Fund	5%
	Index Fund	DSP Strategic Bond Fund	20%

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Aggressive Strategy

Portfolio: Aggressive

Asset Class	Category	Fund	Allocation
Equity 65%	Large Cap Fund	DSP Top 100 Equity Fund	35%
	Mid cap Fund	DSP Mid Cap Fund	10%
	Sectoral Fund	DSP Healthcare Fund	10%
	Thematic / Sectoral Fund	DSP Banking & Financial Services Fund	10%
Alternate & Hybrid 20%	FoF – Overseas	DSP World Gold Fund of Fund	5%
	Equity Savings	DSP Equity Savings Fund	10%
	Dynamic Asset Allocation or Balanced Advantage	DSP Dynamic Asset Allocation Fund	5%
Debt 15%	Dynamic Bond	DSP Strategic Bond Fund	10%
	Gilt Fund with 10 Year Constant Duration	DSP 10Y G-Sec Fund	5%

Passive-Moderate Strategy

Portfolio: Passive- Moderate

Asset Class	Category	Fund	Allocation
Equity 55%	Large Cap Fund	DSP Nifty 50 Index Fund	30%
	Thematic Fund	DSP Quant Fund	15%
	Index Fund	DSP Nifty Midcap 150 Quality 50 Index Fund	5%
	ETFs – Other	DSP Nifty Bank ETF	5%
Alternate & Hybrid 20%	ETFs - Others	DSP Silver ETF	10%
	ETFs- Other	DSP Gold ETF	10%
Debt 25%	Index Fund	DSP CRISIL SDL Plus G-Sec Apr 2033 50:50 Index Fund	25%

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…And Some Fun Recommendations

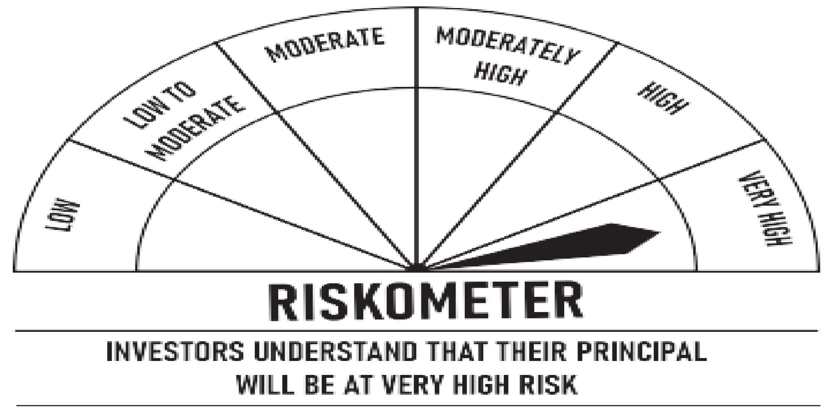
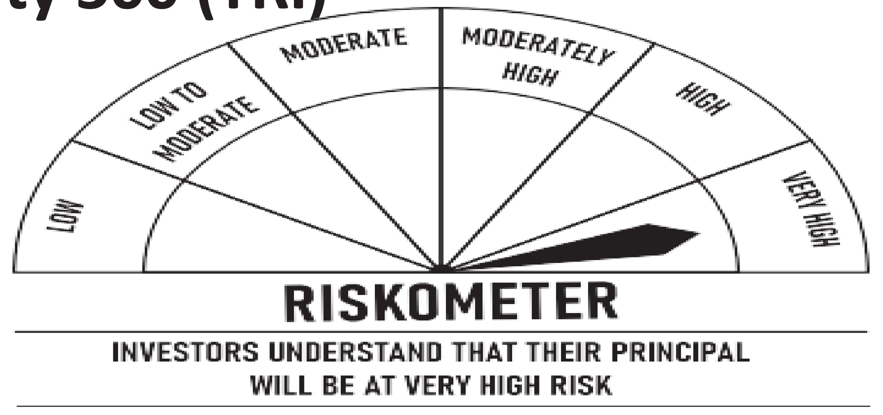
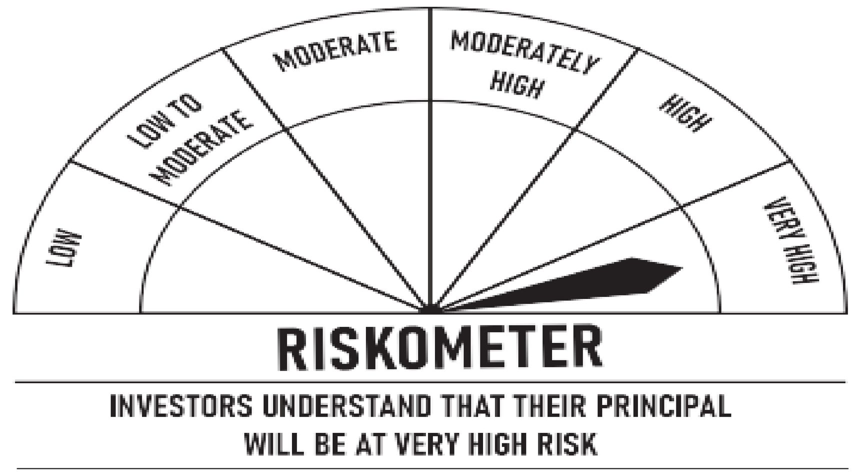
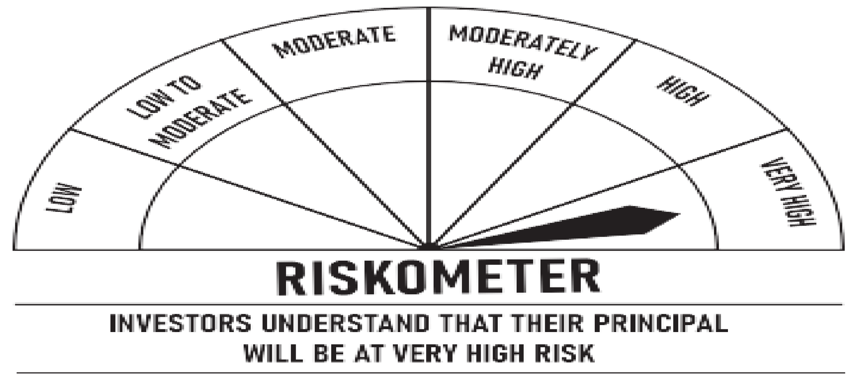
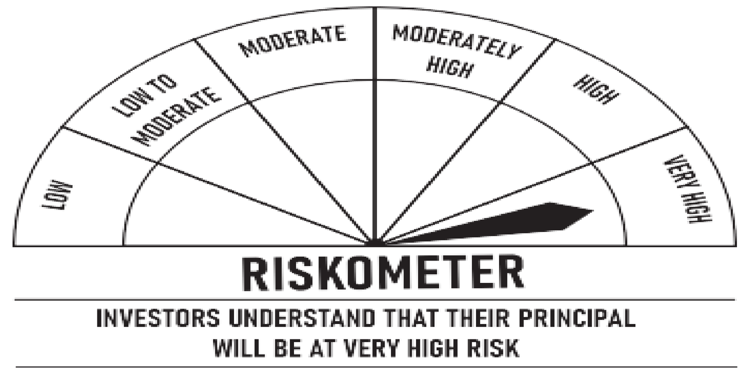
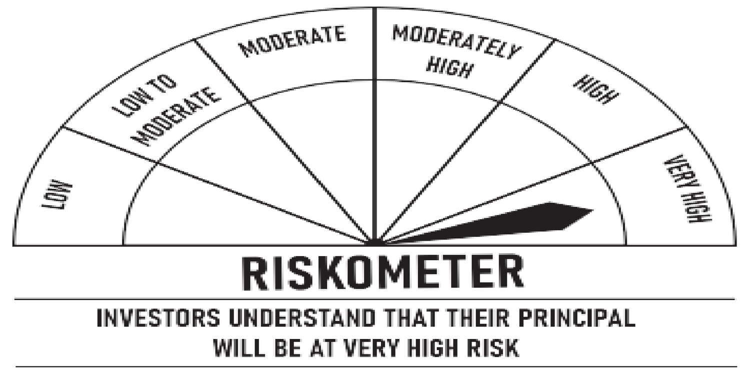
What we liked:

- **Book: "Chaos Kings: how Wall Street traders make billions in the new age of crisis" by Scott Patterson**
- **Podcast: How the Economic Machine Works- By Ray Dalio**
- **Article: Of Interest- By David Hume**

Our in-house creations:

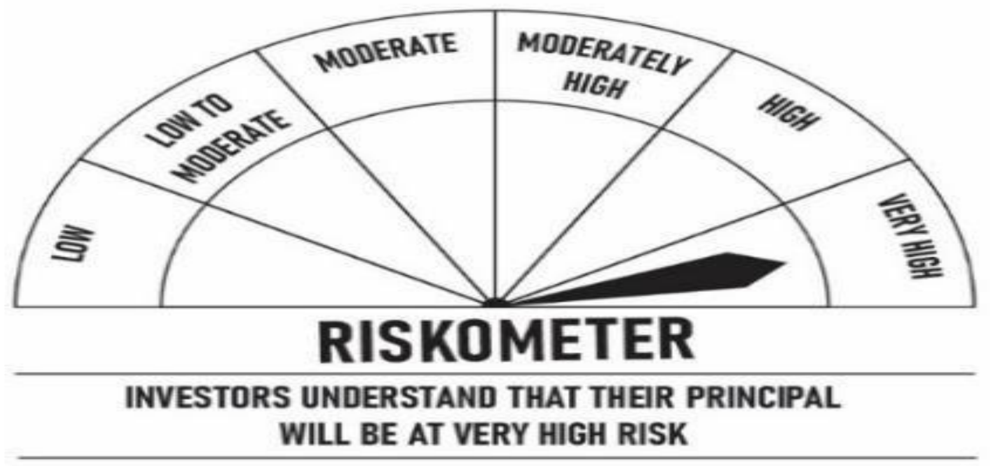
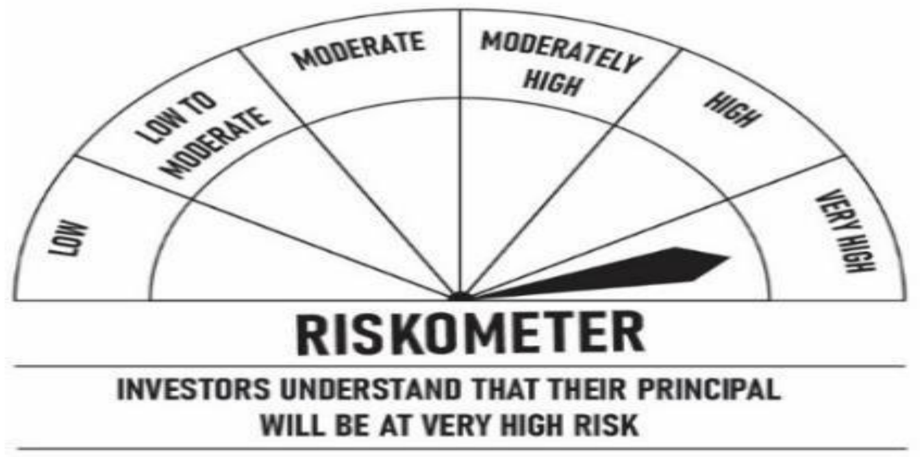
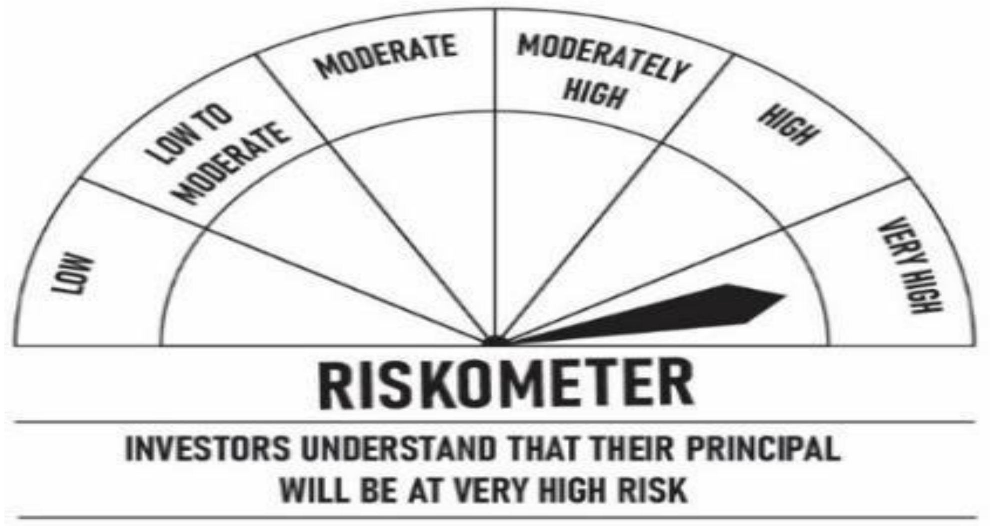
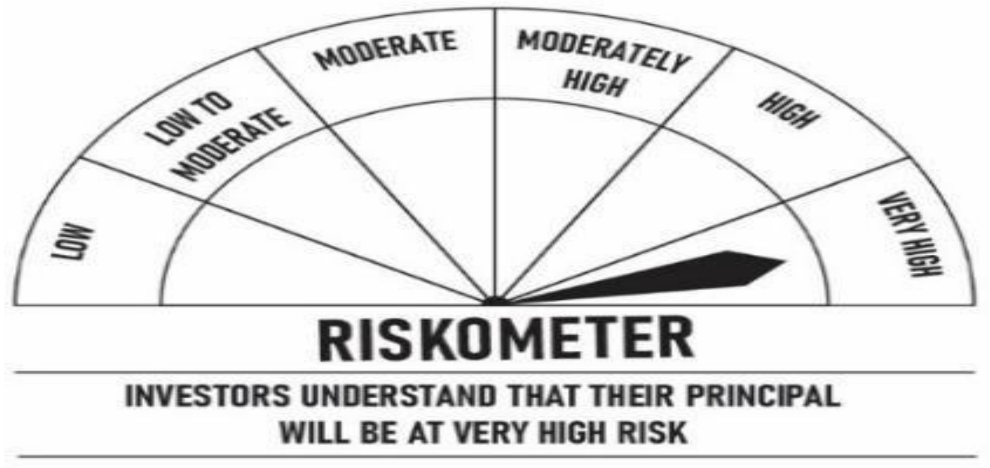
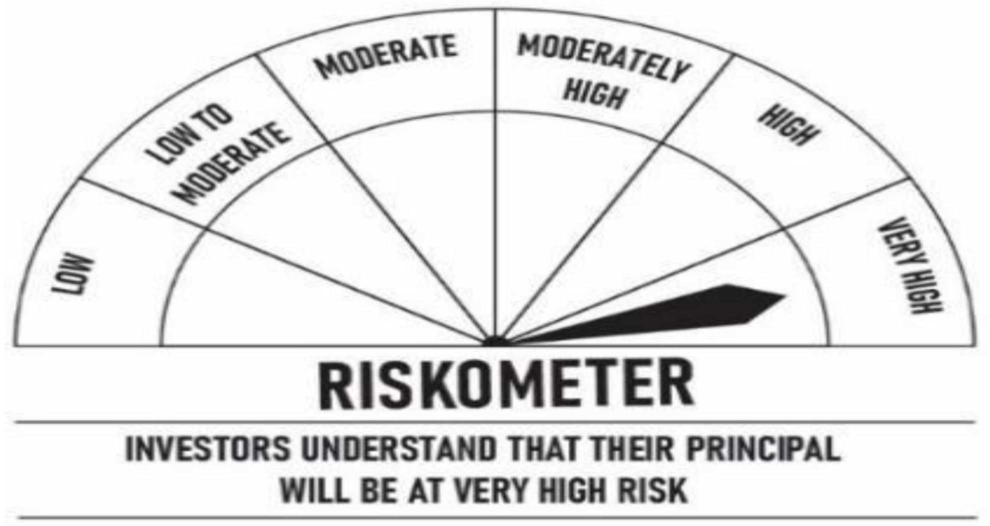
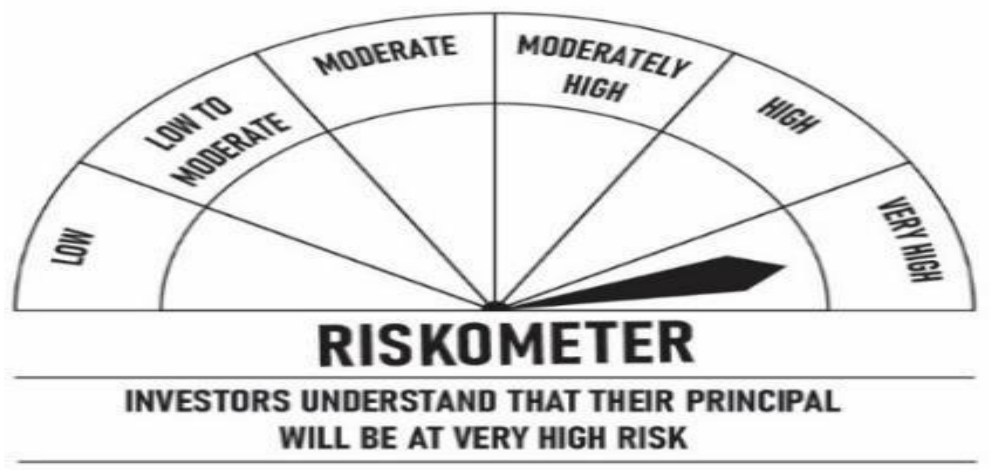
- **Short Film | The neighbor we didn't know we needed! |** Watch here
- **DSP Blog| What is 2+2** by **Abhishek Singh** Read the Blog
- **DSP Blog | When Buffett talks, we listen!** Read here

Product labelling & Riskometer

Scheme	Product Suitability	Riskometer of the Scheme	Riskometer of Benchmark
DSP 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		**Nifty 500 (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 & equity-related securities predominantly of small cap companies (beyond top 250 companies by market capitalization)		**S&P BSE 250 Small Cap TRI** 
DSP Value Fund (An open Ended equity scheme following a value investment strategy)	This product is suitable for investors who are seeking* ● To generate long-term capital appreciation / income in the long term ●Investment primarily in undervalued stocks		**NIFTY 500 TRI** 

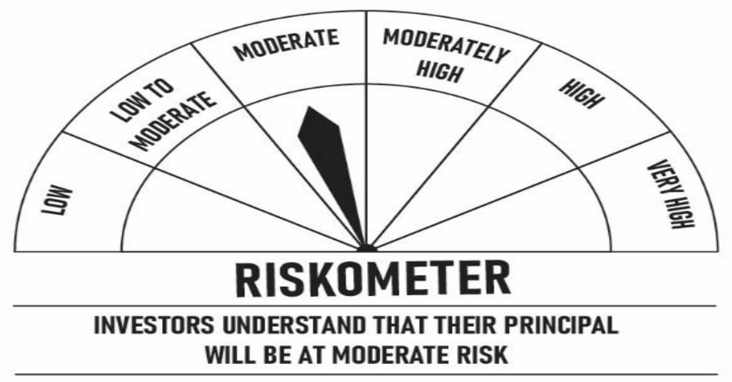
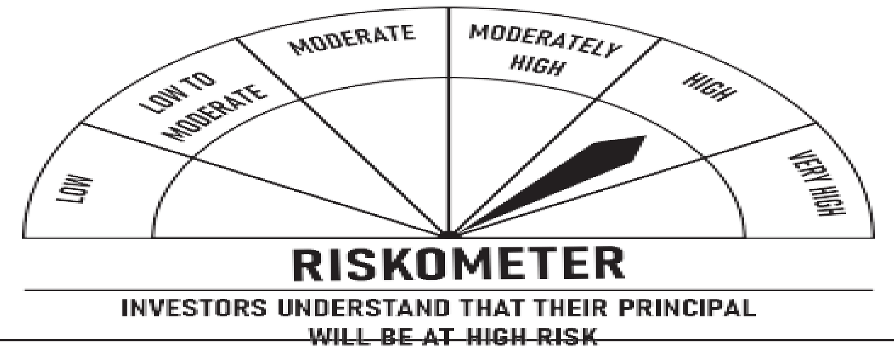
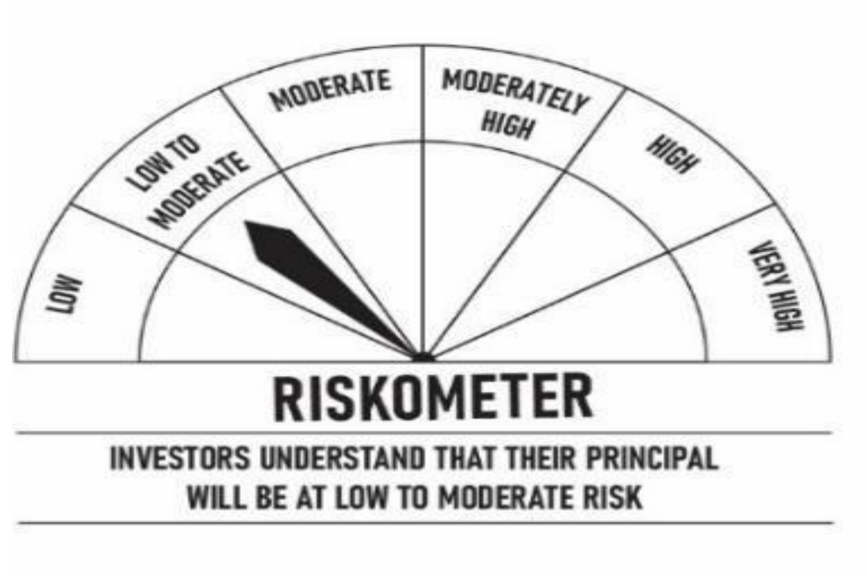
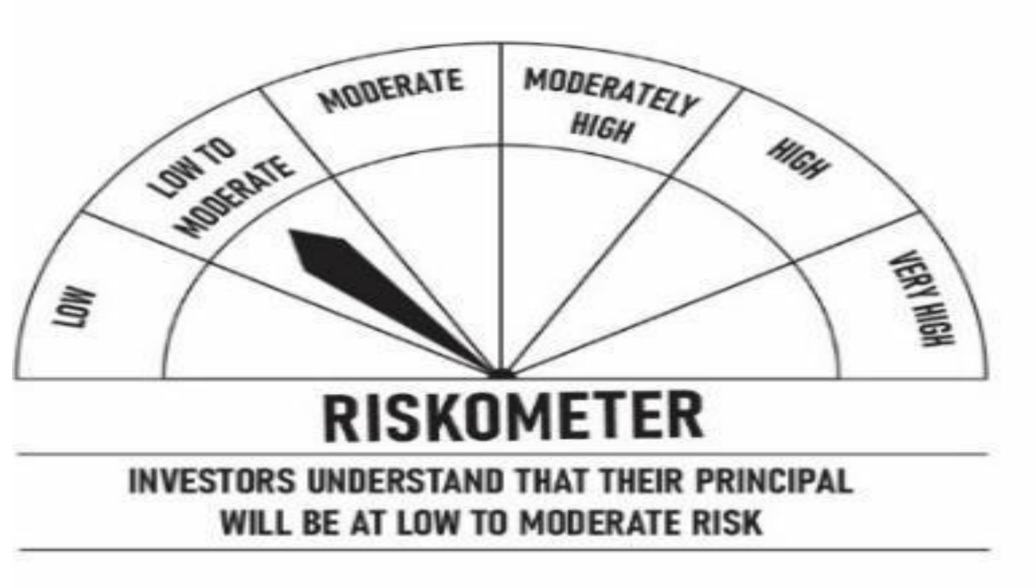
*Investors should consult their financial advisors if in doubt about whether the scheme is suitable for them.

Product labelling & Riskometer

Scheme	Product Suitability	Riskometer of the Scheme	Riskometer of Benchmark
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 & 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)	This Open Ended 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)	This 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)** 

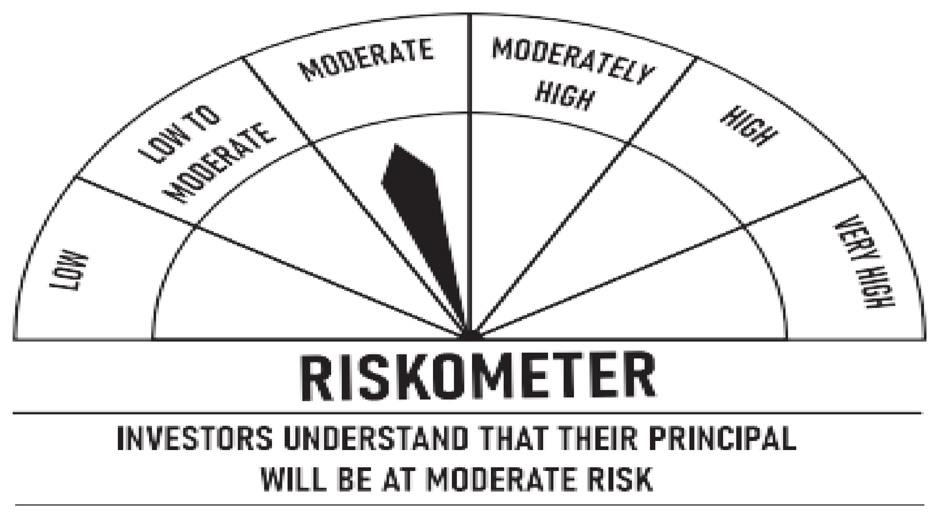
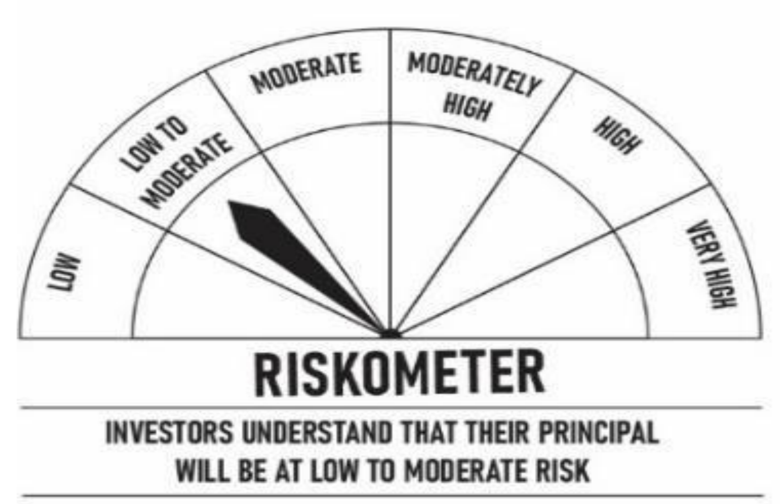
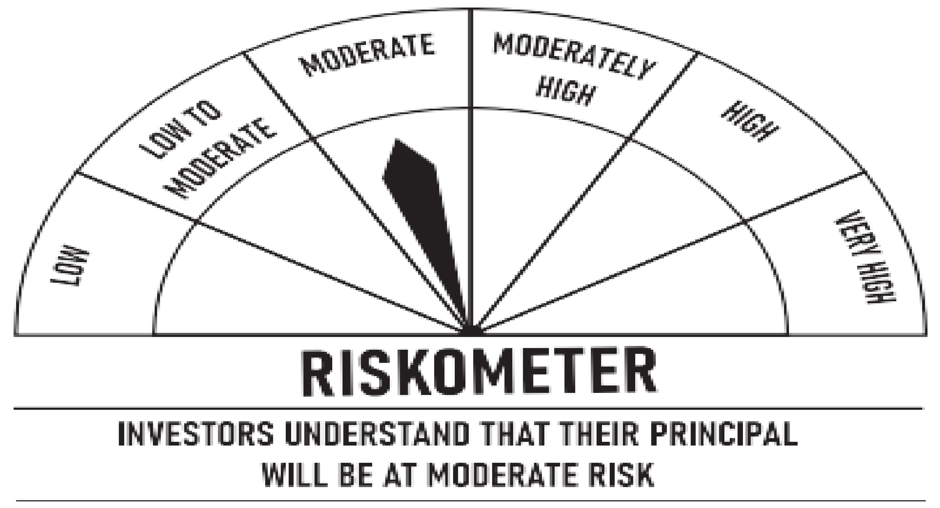
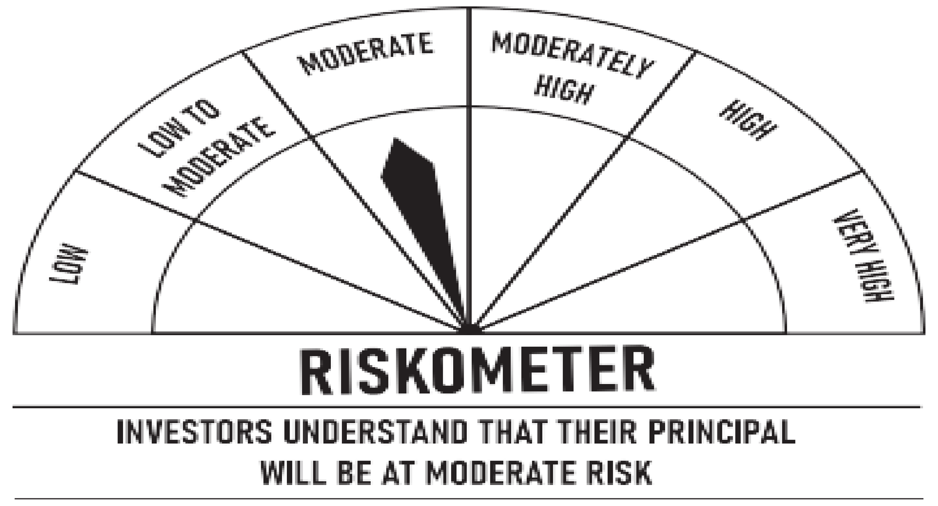
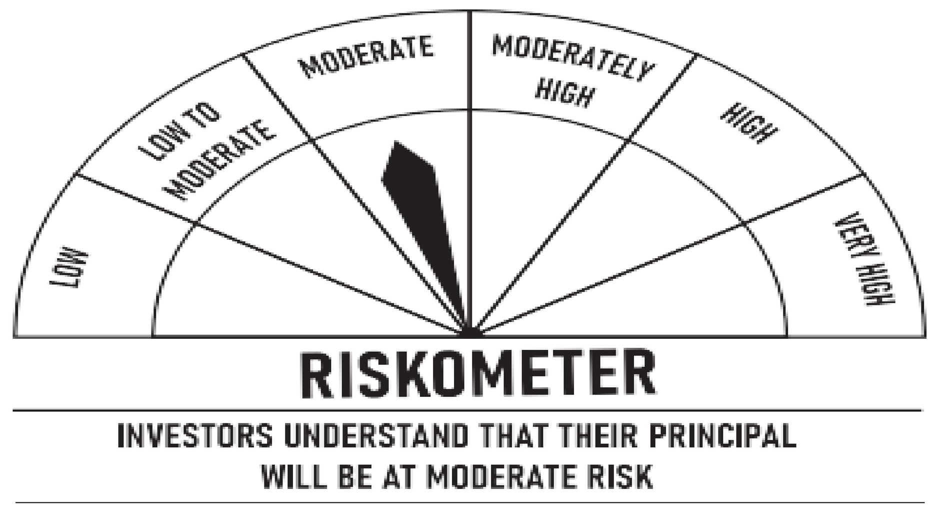
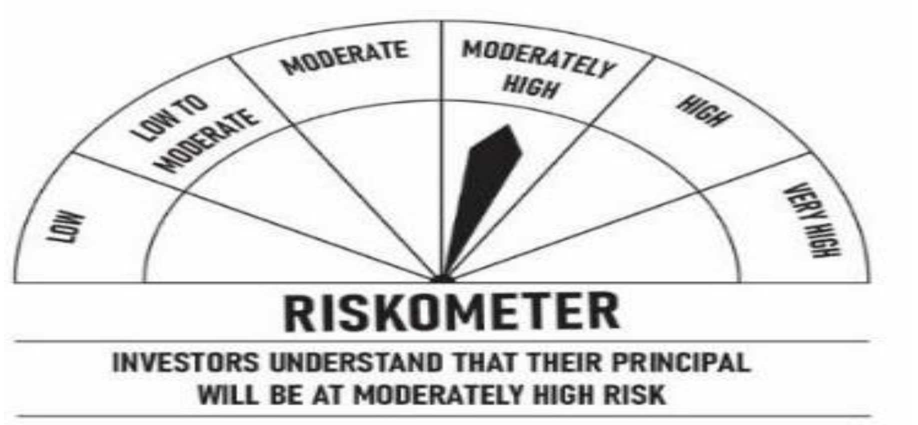
*Investors should consult their financial advisors if in doubt about whether the scheme is suitable for them.

Product labelling & Riskometer

Scheme	Product Suitability	Riskometer of the Scheme	Riskometer of 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.)	This Scheme is suitable for investors who are seeking* • Income over a short-term investment horizon • Investment in money market instruments with maturity less than or equal to 1 year.		**CRISIL Money Market A-I Index** 
DSP CRISIL SDL Plus G-Sec Apr 2033 50:50 Index Fund **(**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.)	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 CRISIL SDL Plus G-Sec Apr 2033 50:50 index, subject to tracking error.		**CRISIL SDL Plus G-Sec Apr 2033 50:50 Index** 

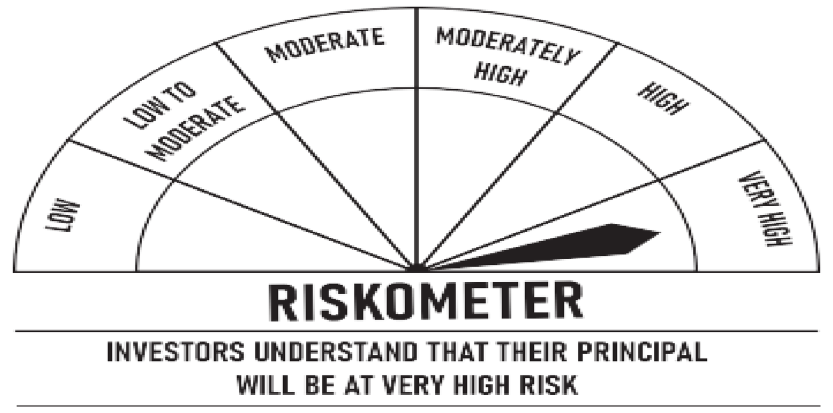
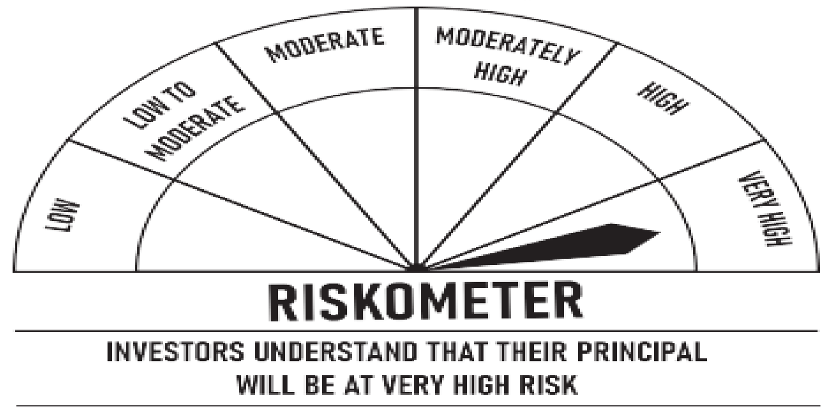
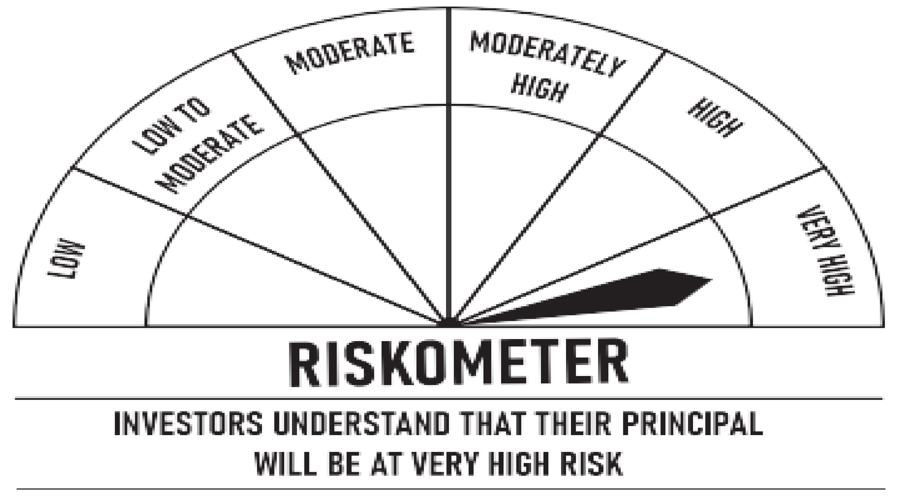
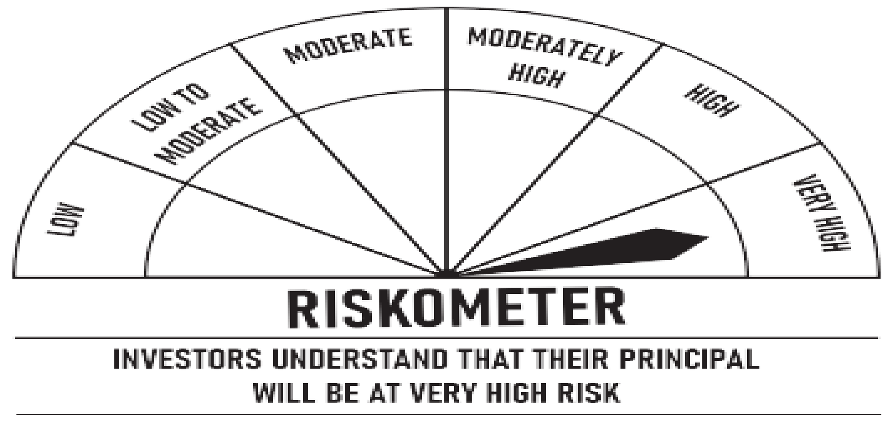
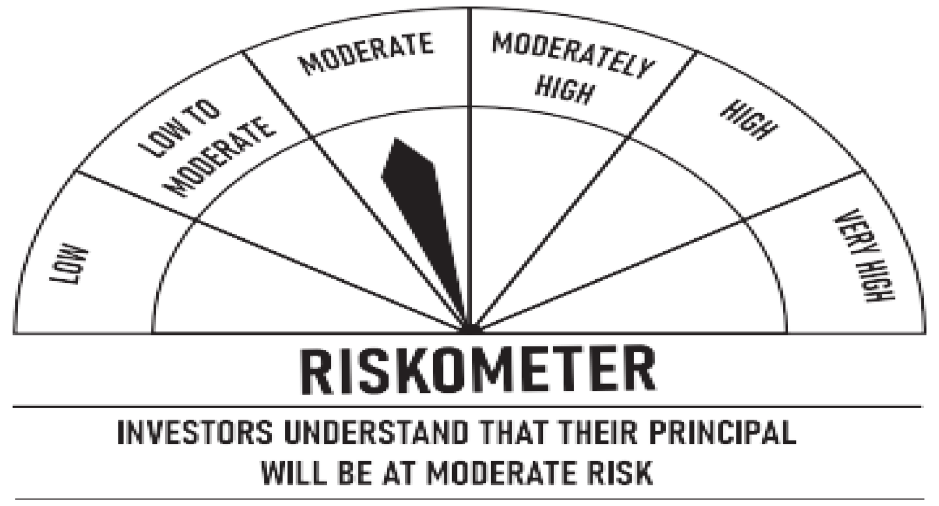
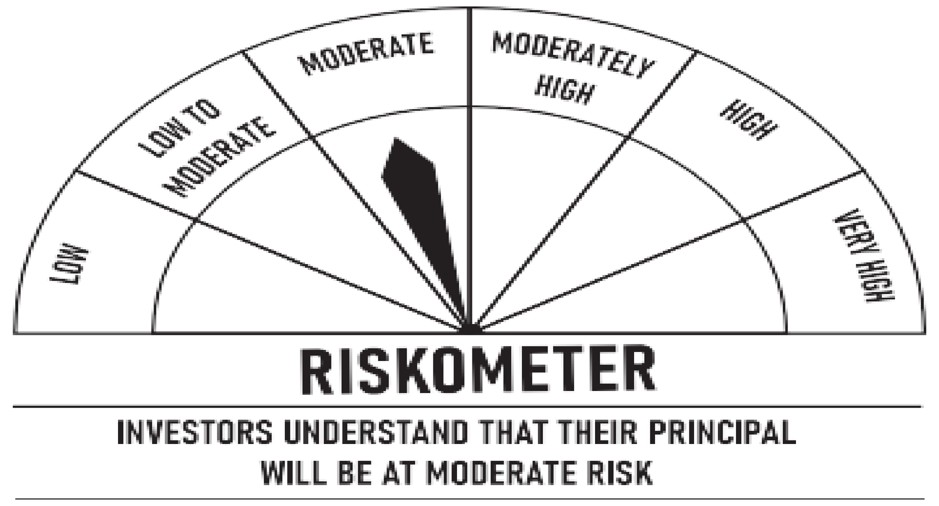
*Investors should consult their financial advisors if in doubt about whether the scheme is suitable for them.

Product labelling & Riskometer

Scheme	Product Suitability	Riskometer of the Scheme	Riskometer of 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 Debt A-II Index** 
DSP Gilt Fund^ (Erstwhile known as DSP Government securities Fund) (^Please refer to Notice cum addendum dated January 11, 2024 for change in fundamental attribute of scheme with effect from February 23, 2024) (An open ended debt scheme investing in government securities across maturity. A relatively high interest rate risk and relatively low credit risk.)	This Open Ended Income scheme is suitable for investors who are seeking* •Income over a long-term investment horizon •Investment in Central and/or State 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.	This 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 A-III Index** 

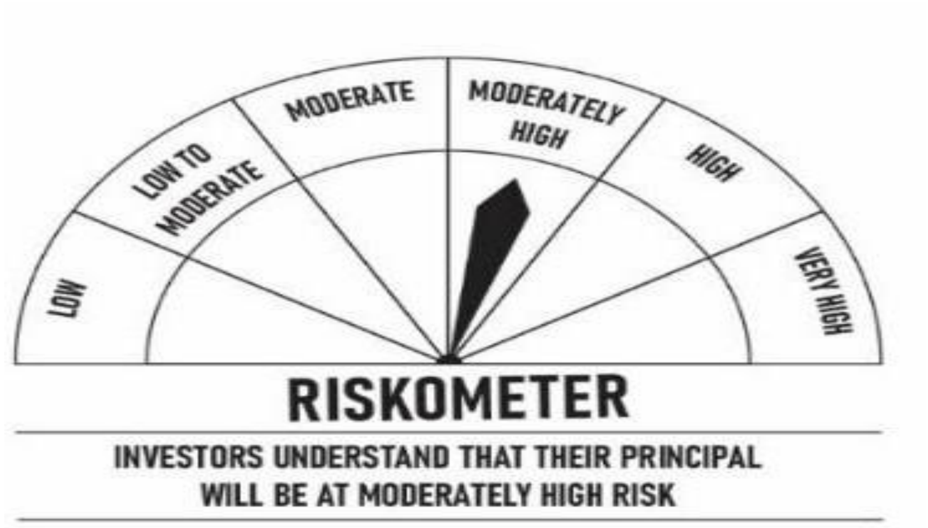
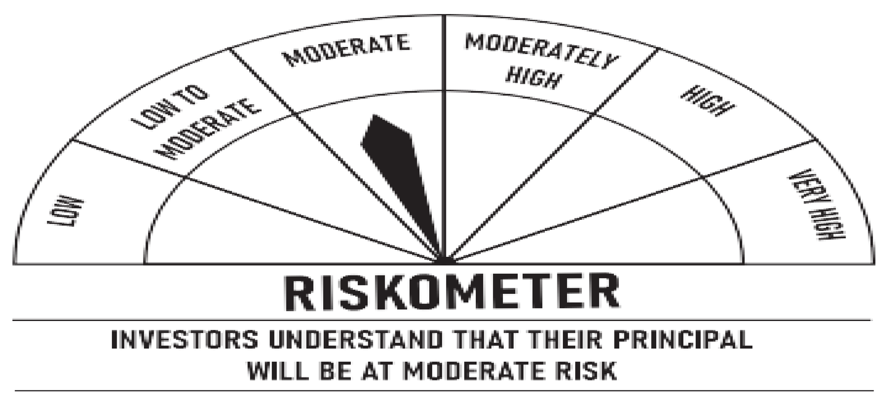
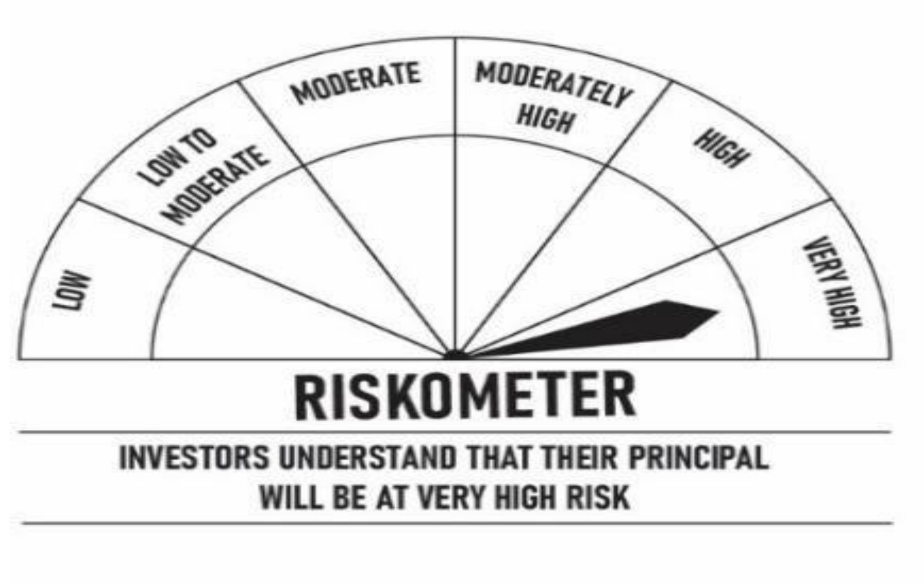
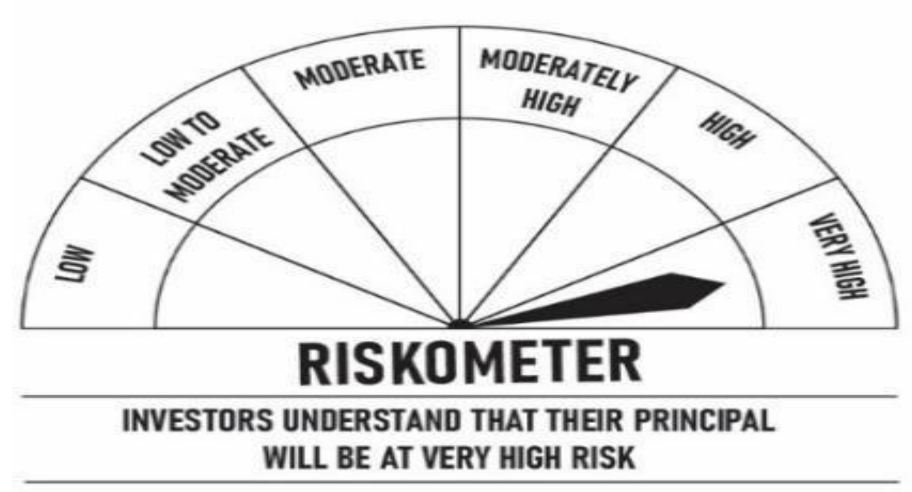
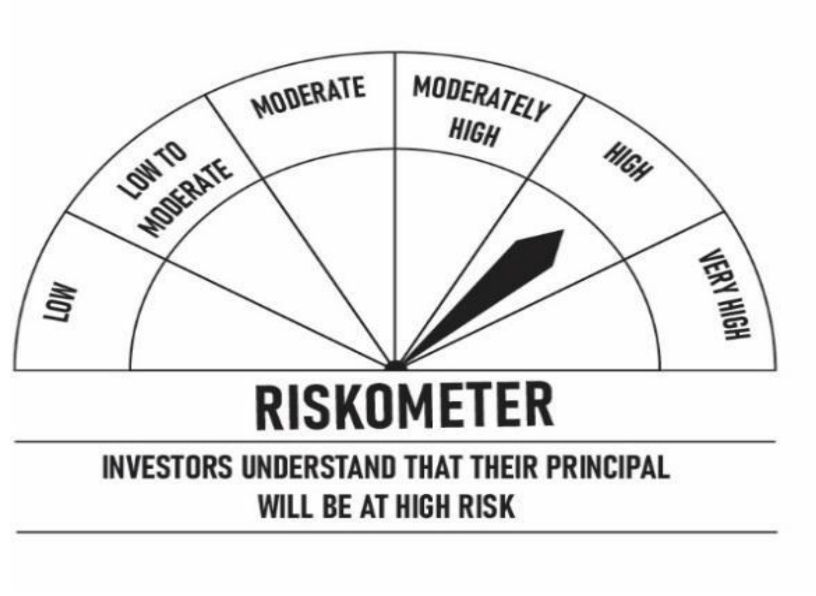
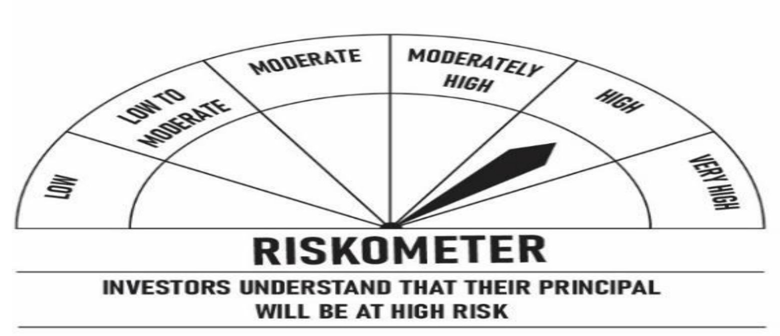
*Investors should consult their financial advisors if in doubt about whether the scheme is suitable for them.

Product labelling & Riskometer

Scheme	Product Suitability	Riskometer of the Scheme	Riskometer of Benchmark
DSP World Gold Fund of Fund (An open ended fund of fund scheme which invests into units/securities issued by overseas Exchange Traded Funds (ETFs) and/ or overseas funds and/or units issued by domestic mutual funds that provide exposure to Gold/Gold Mining theme.)	This Scheme is suitable for investors who are seeking* • Long-term capital growth • Investment in units/securities issued by overseas Exchange Traded Funds (ETFs) and/or overseas funds and/or units issued by domestic mutual funds that provide exposure to Gold/Gold Mining theme.		**FTSE Gold Mine TRI (In INR Terms)** 
DSP Quant Fund (Open Ended Equity Scheme investing based on a quant model theme)	This Open Ended Equity scheme 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** 

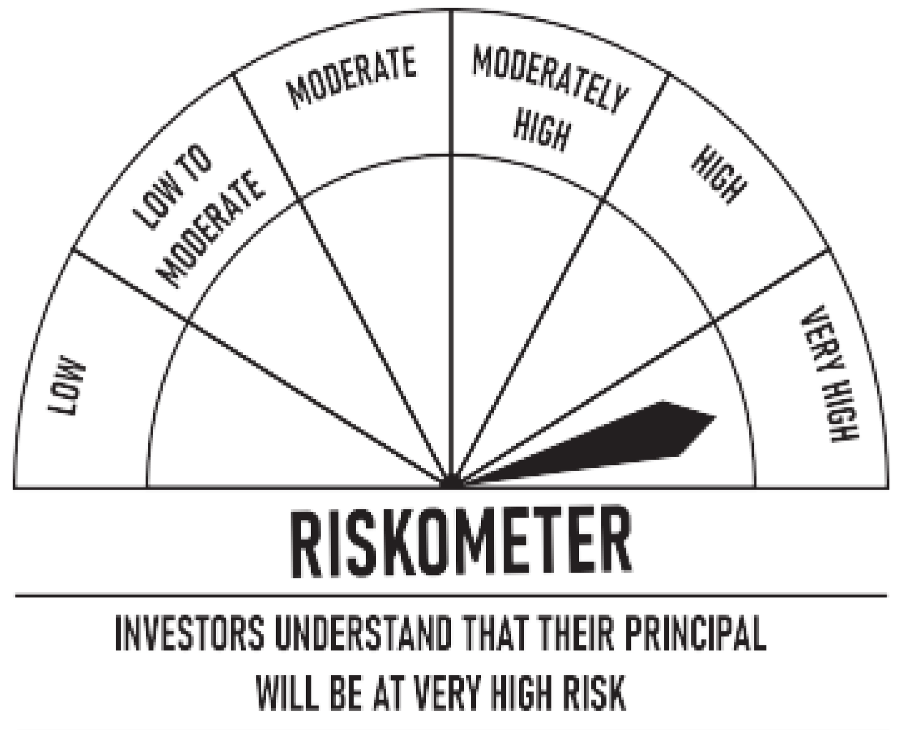
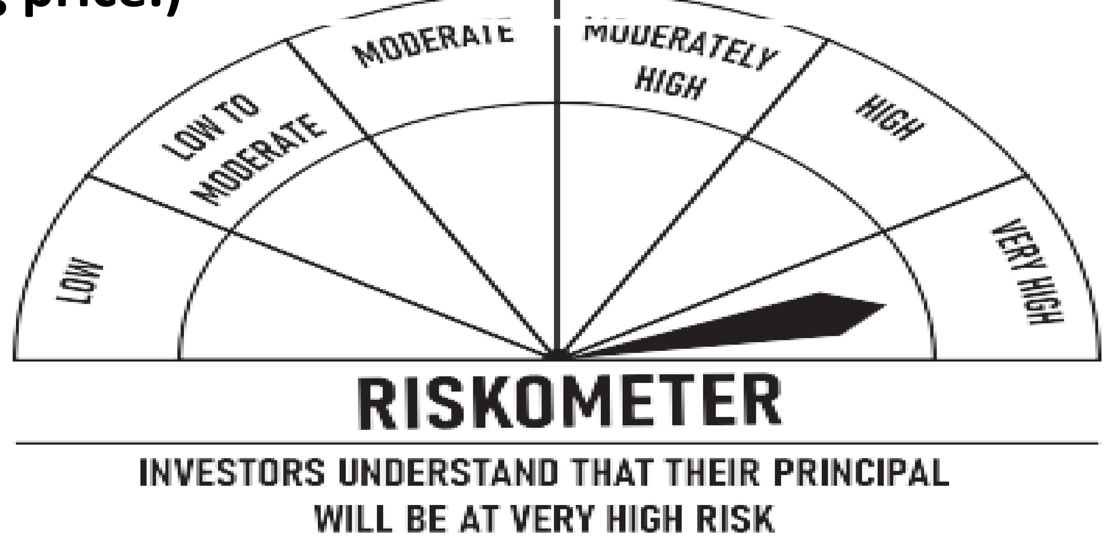
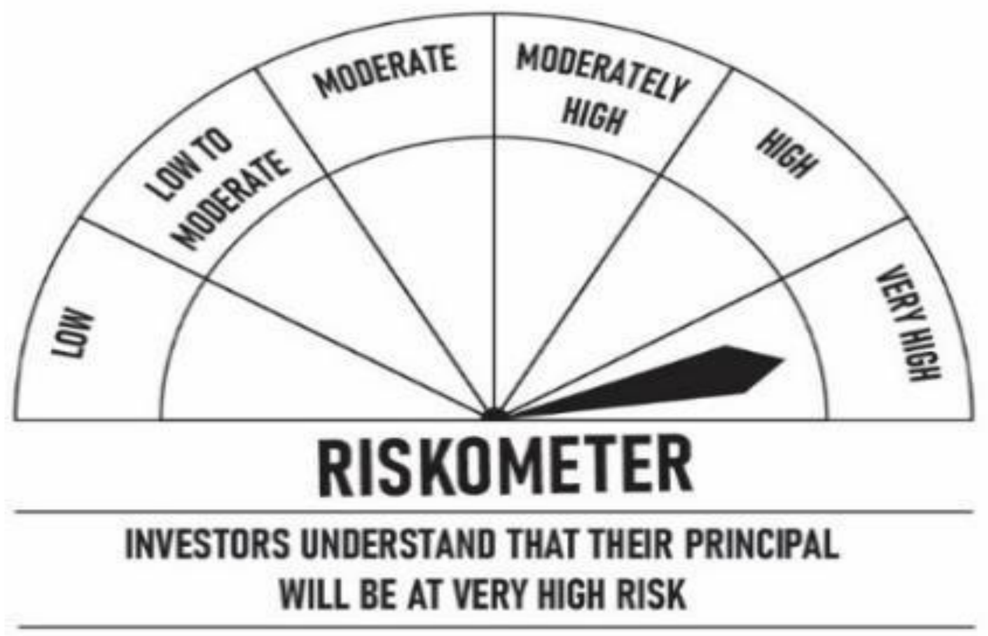
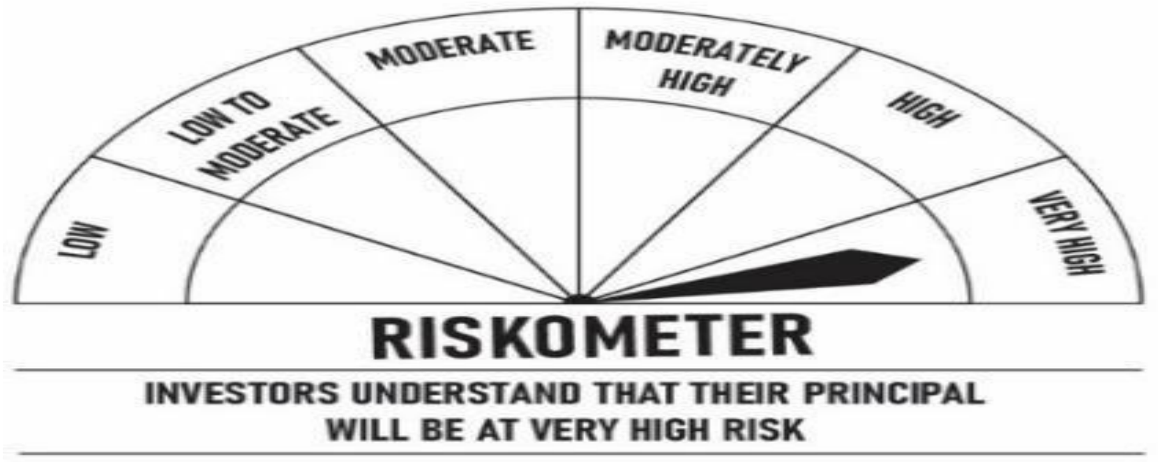
*Investors should consult their financial advisors if in doubt about whether the scheme is suitable for them.

Product labelling & Riskometer

Scheme	Product Suitability	Riskometer of the Scheme	Riskometer of Benchmark
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 Nifty 50 Equal Weight Index Fund (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.		
DSP Gold ETF (An open ended exchange traded fund replicating/tracking domestic prices of Gold)	This product is suitable for investors who are seeking* • Capital appreciation over long term. • Investment in gold in order to generate returns similar to the performance of gold, subject to tracking error.		**Domestic Price of Physical Gold (based on London Bullion Market Association (LBMA) gold daily spot fixing price)** 

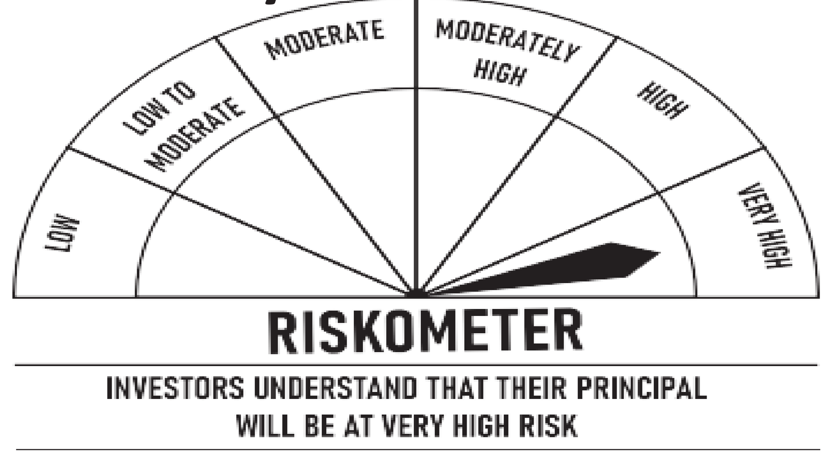
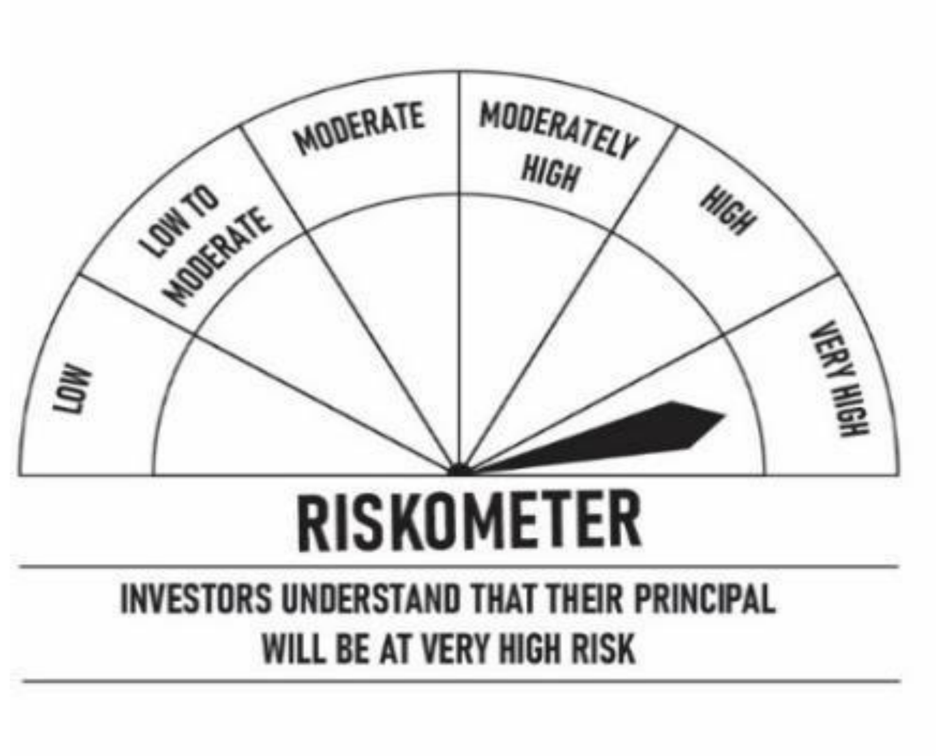
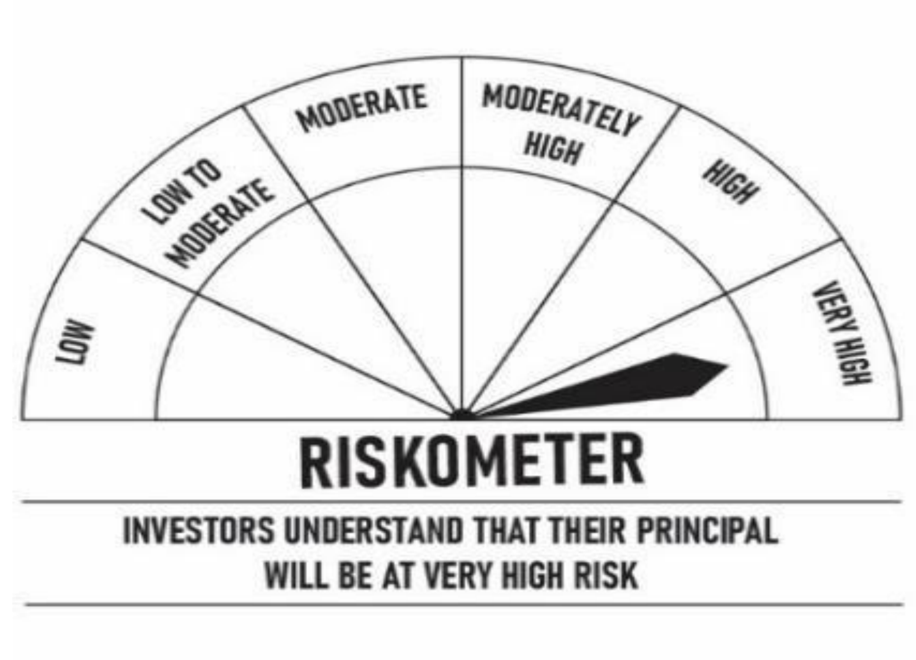
*Investors should consult their financial advisors if in doubt about whether the scheme is suitable for them.

Product labelling & Riskometer

Scheme	Product Suitability	Riskometer of the Scheme	Riskometer of 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.)** 
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		**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** 

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

Product labelling & Riskometer

Scheme	Product Suitability	Riskometer of the Scheme	Riskometer of Benchmark
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 • Investments in equity and equity related securities of banking and financial services comapnies		Nifty Financial Services 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		**S&P BSE 100 (TRI)** 

*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 matrix below
DSP Short Term Fund	see matrix 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

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

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

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

DSP 10y G-Sec Fund				
	Credit Risk → Interest Rate Risk ↓	Relatively Low (Class A)	Moderate (Class B)	Relatively High (Class C)
	Relatively Low (Class I)	-	-	-
	Moderate (Class II)	-	-	-
	Relatively High (Class III)	A-III	-	-

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

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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.“

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