DSP

THE NAVIGATOR

What do I do with my money?

December 2024

Navigating today: What Are We Saying?

1. Indian equites remain pricey. Nifty 50 Index continues to trade at 23x trailing earnings, and the earnings growth has slowed to single digits. Broader Mid & Small Cap space trades at steep multiples as well. The Nifty Midcap 150 Index is at 40x trailing earnings while Nifty Smallcap 250 Index is at 32x trailing earnings. Large caps offer relative benefits over SMIDs, although absolute valuations are above average.

2. Practice conservatism. This is the time to seek margin of safety, cut leverage (if at all in portfolio) and focus on the quality of businesses in portfolio. For allocating fresh equity-only funds, the only approach is to proceed in a staggered manner and through the SIP route.

3. BFSI, Healthcare and select consumer and auto names offer value and have margin of safety.

4. While allocating fresh funds, seek exposure to hybrid funds, especially Dynamic Asset Allocation Fund category and Multi Asset Allocation category.

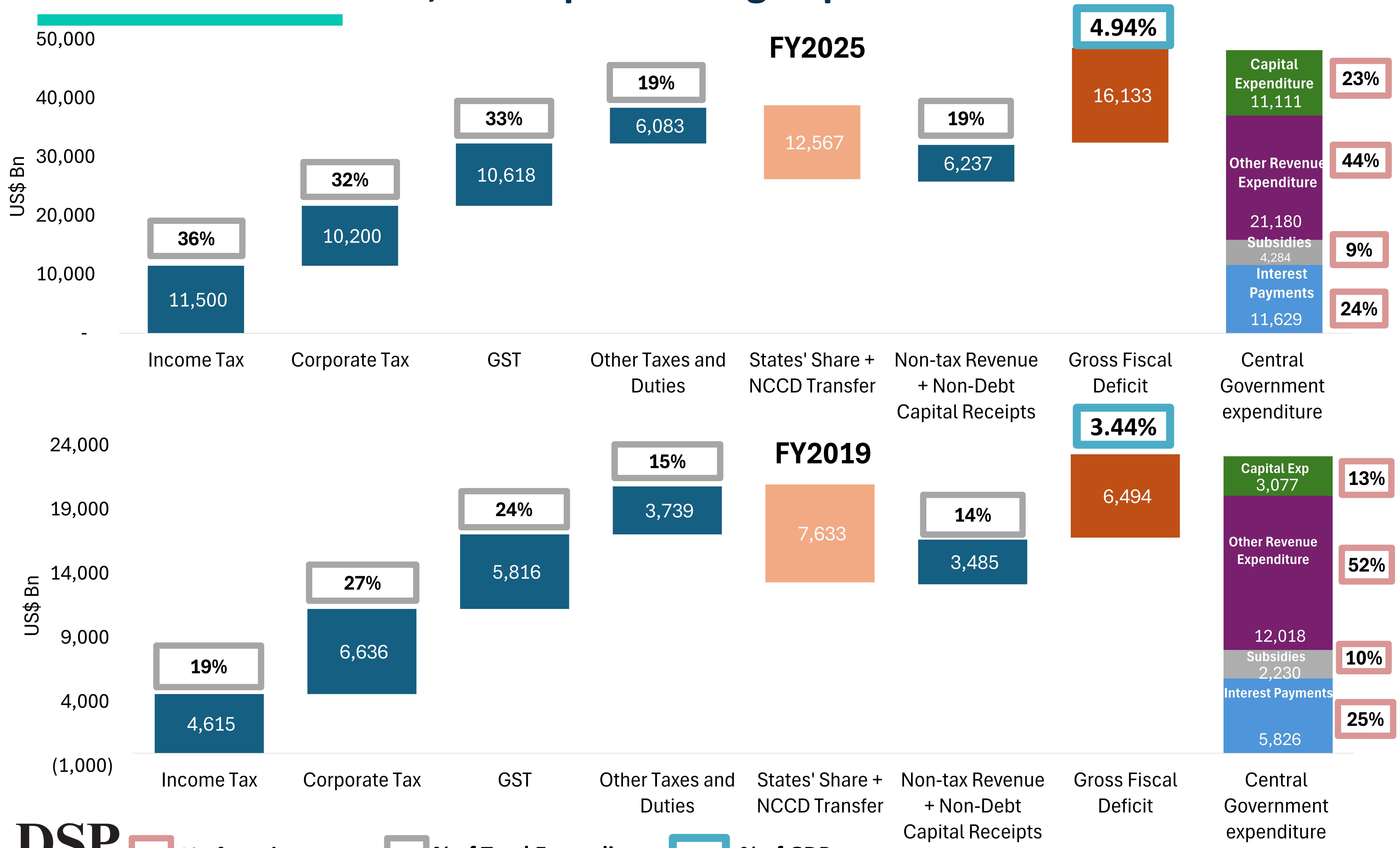
5. Interest rates continue to remain subdued, driven by volatile yet controlled inflation, balanced GSec supply and a worsening external situation that is still not a cause of concern.

6. Gold & Silver can offer diversification benefits in a market where most other assets are prized to perfection.

Source: Bloomberg. Data as on 30th November, 2024

Macros: Numbers Over Narratives

Uneven Income Gains, Underperforming Capex and Fiscal Concerns



% of Total Revenue | % of Total Expenditure | % of GDP

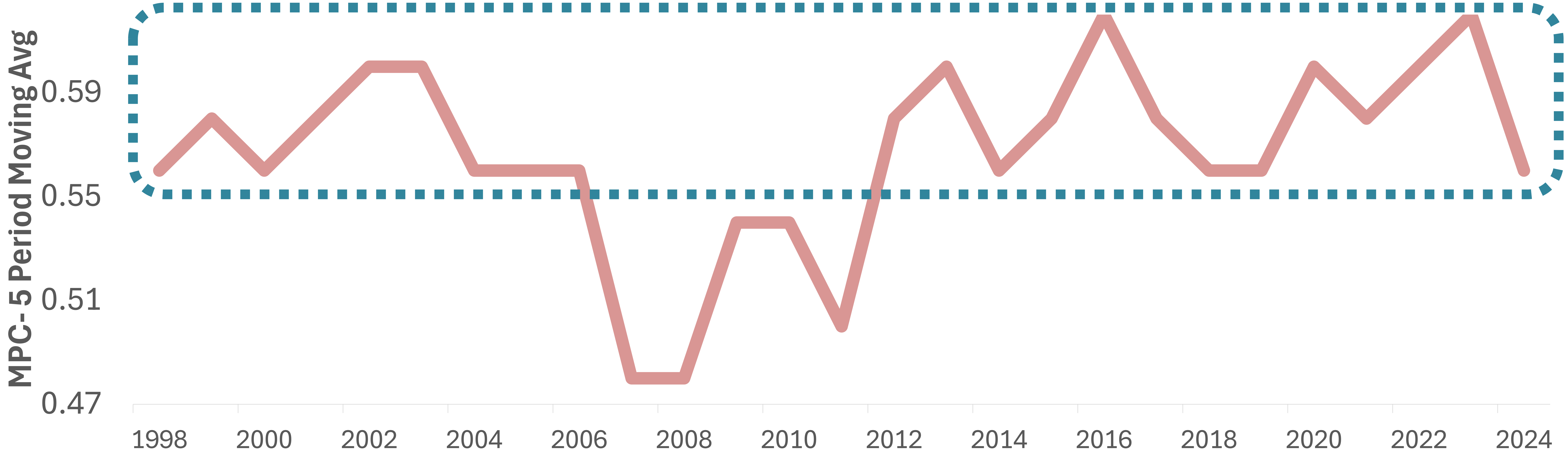
Source: CMIE, DSP. Data as of Nov 2024

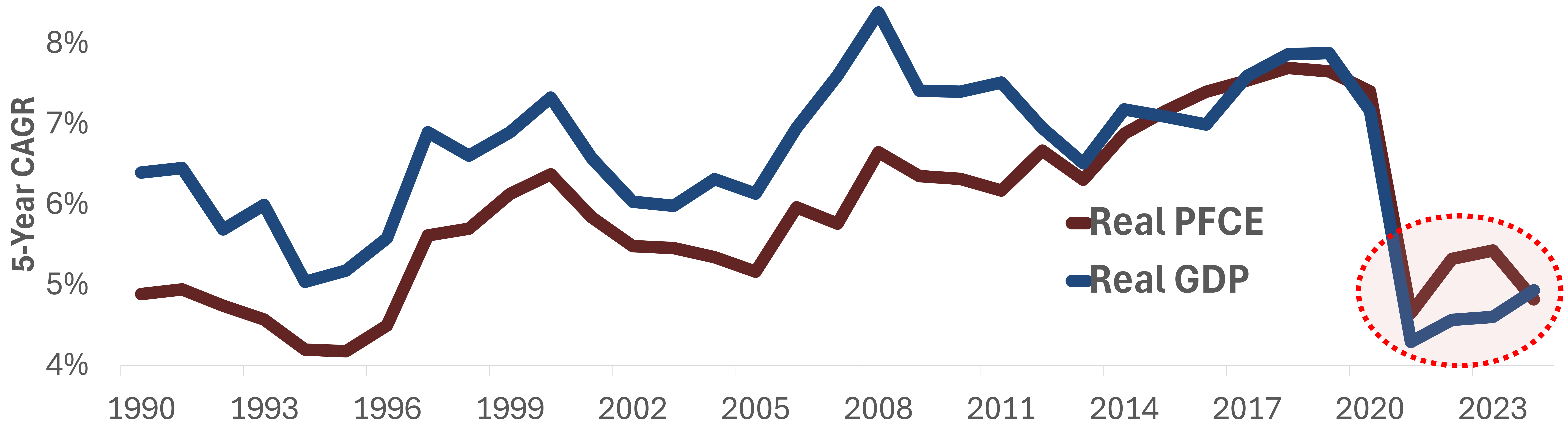
While income tax collections and capex expansion have supported expenditure and revenue profiles, their intended benefits remain underachieved. Between 2019 and 2025, purchasing power has eroded, followed by gains aimed at recovery. However, these gains are largely concentrated among the upper middle class and high-income groups, limiting broader consumption and contributing to underwhelming GDP growth.

Capex, though higher than its pre-COVID levels (FY2019), remains a budgeted figure. Historically, achieving these estimates fully has been rare, and progress in H1FY2025 has been slower than usual. This underscores capex's limited impact on broader consumption and market momentum.

As the next budget approaches, the government remains committed to fiscal consolidation—a cautious response to uncertainties surrounding U.S. fiscal policy. However, this approach poses challenges in accelerating growth, with GDP growth below 6% and the policy rate at 6.5%. Balancing fiscal discipline with growth-oriented measures will be critical to overcoming these hurdles.

The Capacity to Spend Remains, but the Momentum is Fading





India's growth has traditionally been supported by strong domestic consumption.
And this largely remains the base of any extreme growth/fall or keeping it steady at the level it has.

This reliance on consumption stems from two key factors:
1.India transitioned directly from an agrarian economy to a service-driven tertiary economy, largely bypassing the manufacturing phase. This limited opportunities for income expansion through high-value-added exports.
2.The country is home to an aspirational middle class, whose high propensity to spend has fueled economic activity.

While domestic consumption continues to be the primary driver of India's income growth, its momentum is showing signs of fatigue. The pace of household expenditure has begun to slow, pulling down consumption levels and, consequently, GDP growth.

India's greatest strength—its consumption-driven economy—has also become its vulnerability.

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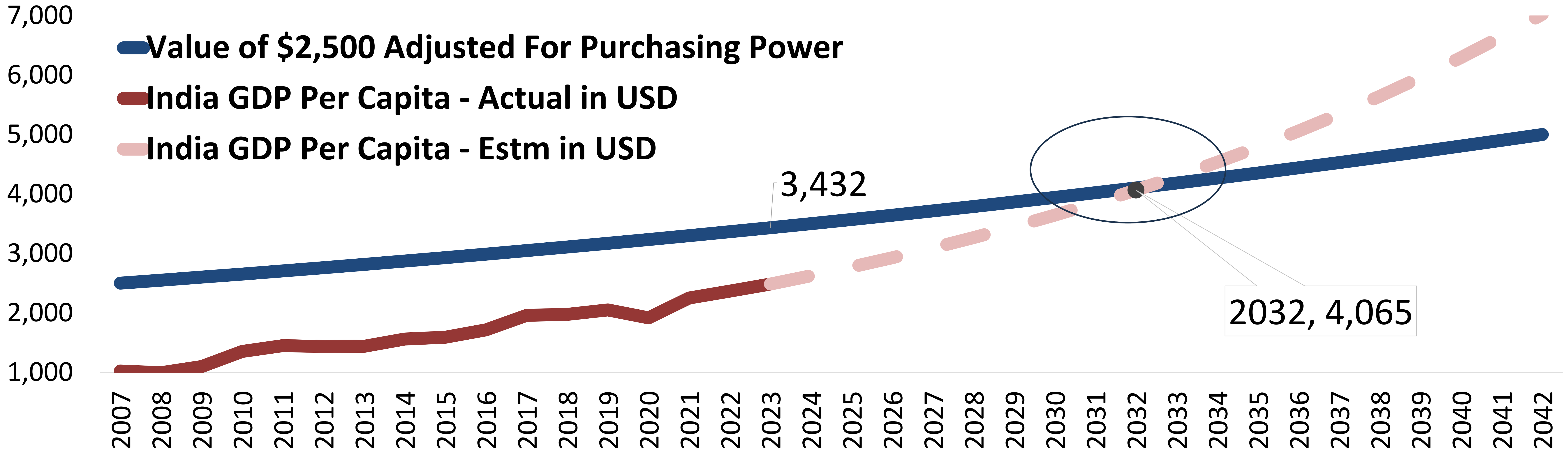
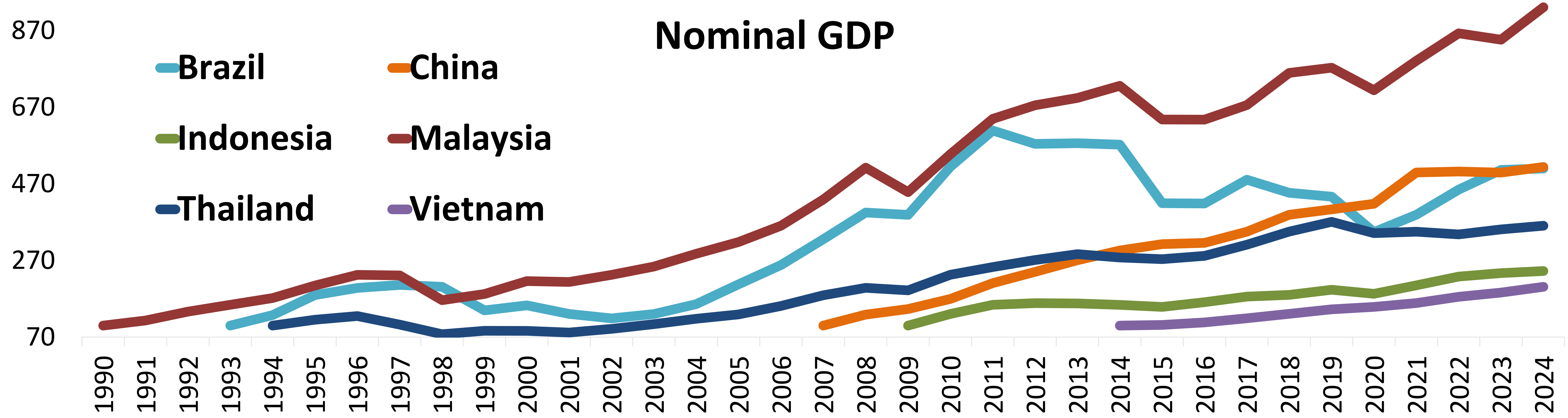
Source: CMIE, DSP. Data as of Nov 2024
PFCE – Private Final Consumption Expenditure,
MPC – Marginal Propensity to Consume, additional income that a person or household spends on consumption rather than saving

$2500 : A Milestone in Numbers, Yet Ever-Changing in Worth





India's GDP per capita crossing USD 2,500 mark is often hailed as a significant milestone drawing parallels to China's exponential growth after reaching this level. However, this argument often misses a simple but crucial factor – the change in purchasing power.

China crossed this level back in 2007 when the dollar value was very different to what it is now. To buy the same basket of goods which $2,500 would have fetched us in 2007 (ignoring price level differences between countries for simplicity), we would today need roughly $3,500. Per our estimates, India will take 8 more years to achieve GDP per capita that has the same purchasing power of $2,500 in 2007.

But is $2,500 mark a major milestone?

China's strong growth after crossing this level was driven by a confluence of other factors global and domestic beyond just a number. Apart from China, other developing economies had also achieved this mark in the last three decades. But most of them have struggled to post strong, consistent growth even after crossing the mark.

No doubt, India's achievement is noteworthy but there's still ground to cover, work to do!

Source: Bloomberg, DSP. Data as of Nov 2024
*We have used US CPI to adjust for Purchasing Power. Inflation adjusted number from the point when each country crossed the USD2500 GDP Per Capita threshold

Foreign Investment Cushion Could be Eroding in FY25

	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25 Est
Overall balance of payments	61.4	17.9	21.6	43.6	-3.3	59.5	87.3	47.5	49.0	63.7	
Current account	**-26.9**	**-22.2**	**-14.4**	**-48.7**	**-57.3**	**-24.7**	**23.9**	**-38.8**	**-91.8**	**-26.1**	**-36.1**
Merchandise trade	-144.9	-130.1	-112.4	-160.0	-180.3	-157.5	-102.2	-189.5	-265.3	-244.9	-271.6
Invisibles	118.1	107.9	98.0	111.3	123.0	132.8	126.1	150.7	198.2	218.8	235.5
Services	**76.5**	**69.7**	**68.3**	**77.6**	**81.9**	**84.9**	**88.6**	**107.5**	**143.3**	**162.8**	**179.2**
Transfers	65.7	62.6	56.0	62.4	69.9	75.2	73.5	80.4	100.9	105.8	108.9
Income	-24.1	-24.4	-26.3	-28.7	-28.9	-27.3	-36.0	-37.3	-45.9	-49.8	-52.6
Capital account	**89.3**	**41.1**	**36.4**	**91.4**	**54.4**	**83.2**	**63.7**	**85.8**	**141.9**	**89.5**	**36.9**
Foreign Investment	**73.5**	**31.9**	**43.2**	**52.4**	**30.1**	**44.4**	**80.1**	**21.8**	**72.4**	**54.2**	**24.2**
Foreign direct investment	31.3	36.0	35.6	30.3	30.7	43.0	44.0	38.6	31.8	10.1	7.1
Portfolio investment	42.2	-4.1	7.6	22.1	-0.6	1.4	36.1	-16.8	40.6	44.1	17.0
Shortfall of the current account relative to foreign investment*					-27.2			-17.0	-19.5		-11.9

Over the past decade, foreign investments have generally covered India's current account deficit, but FY25 may add to the anomaly based on YTD numbers.

A major factor is the large merchandise trade deficit, with the latest figure at $38 billion—nearly two months' worth at the post-COVID average of $20 billion. **These numbers aren't priced in and are probably one off. But the drivers seems sticky.**

The drivers-

- Gold & Silver - Adjustments to import duties, recently reduced from 15% to 6%, have spurred higher imports. The higher prices for precious metals is also translating into higher import value, but the increase far outstrips price gains.
- India's Petroleum products (POL) exports, that benefited tremendously from Russia-Ukraine crisis, has lost ground steadily.

Compounding the trade deficit is weak foreign investment inflow. While net FPI outflows have been notable, the more concerning trend is the rare FDI outflows—marking only the fourth quarterly outflow since 2000.

The trade deficit numbers, along with a weak foreign flow picture in FY25 is why Rupee has been weakening.
Cumulatively, these are one of the lowest foreign Investment YTD numbers by this time of any FY. If these trends persist, Rupee can weaken even more.

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Source: CMIE, DSP. Data as of Nov 2024
*The shortfall only accounts for foreign investment, which is a part of capital account. These shortfalls are also be met through NRI flows, ECBs or loans, which also form a part of the capital account.

Interest Rates

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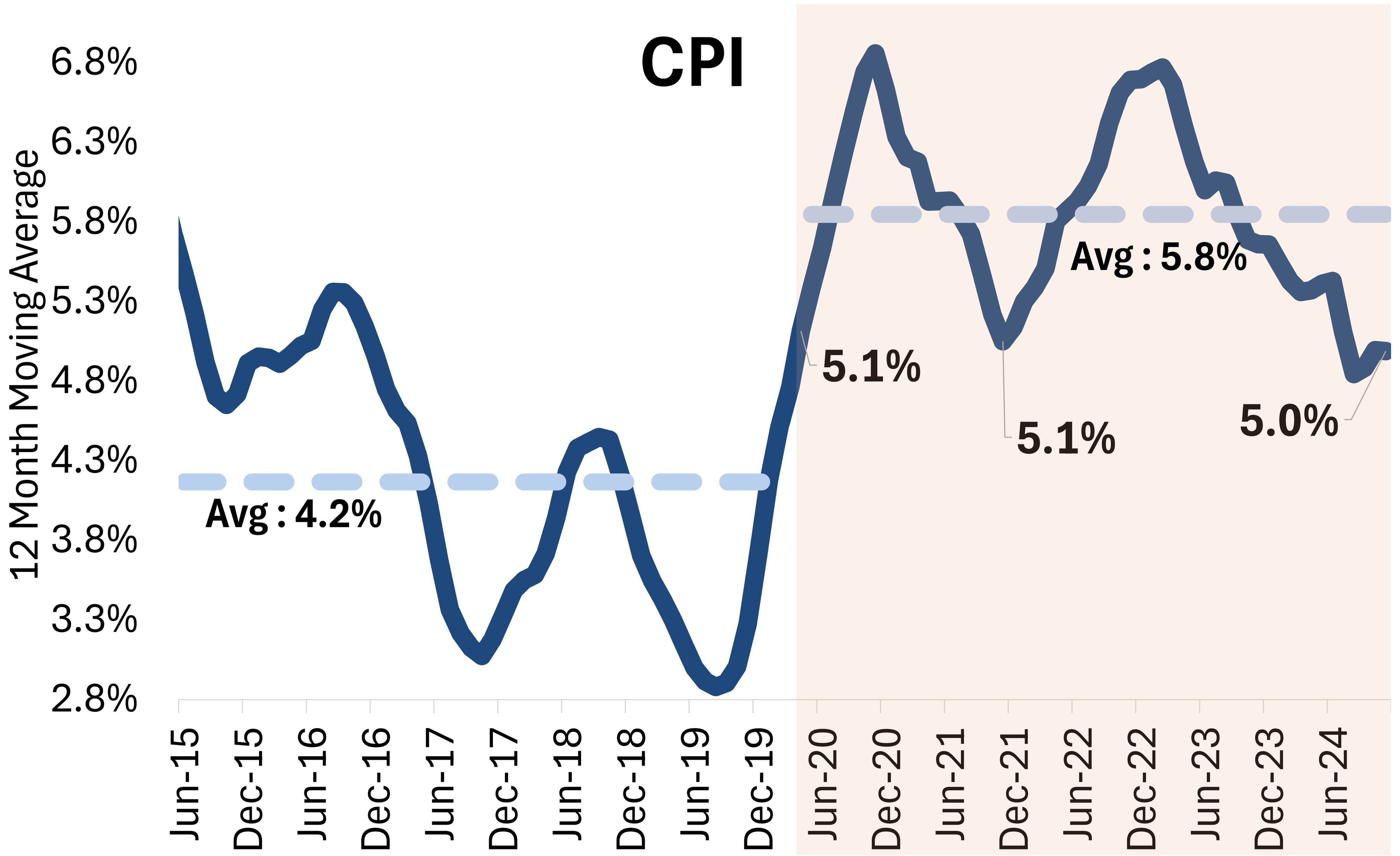
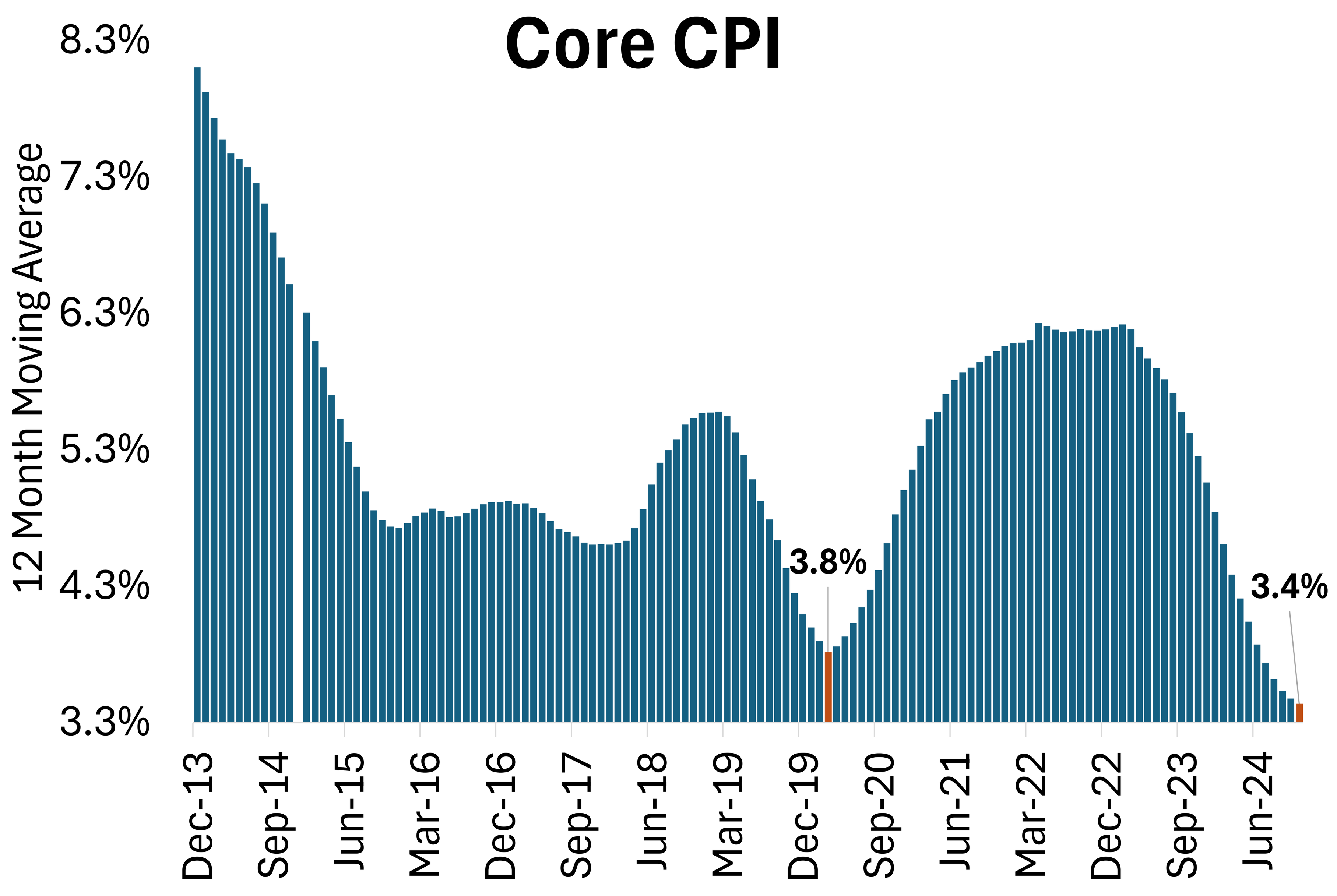
Core CPI at its Lowest, But Food Inflation Keeps us at Bay

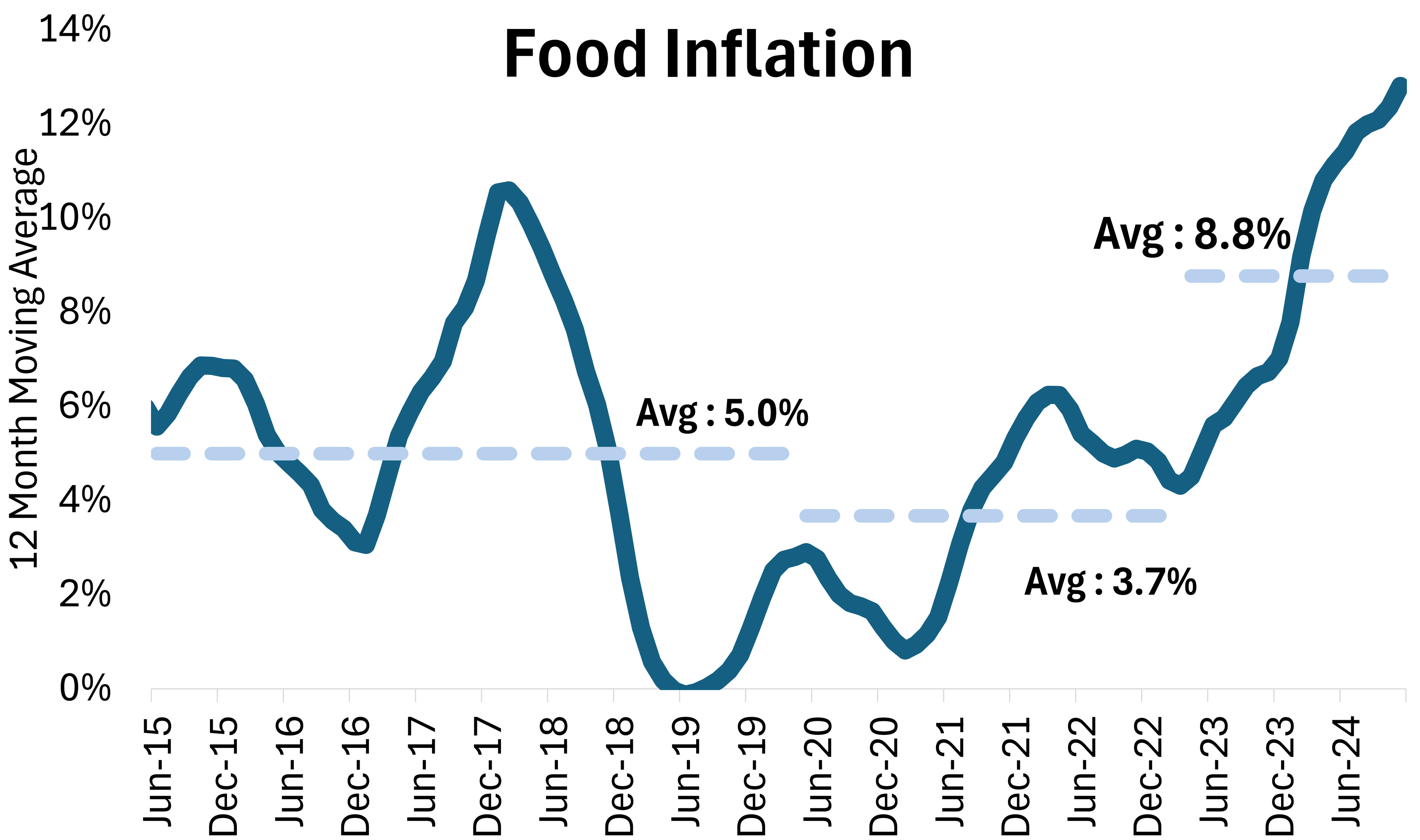
A CURRENT low in the Post-Covid sub 6% TREND?



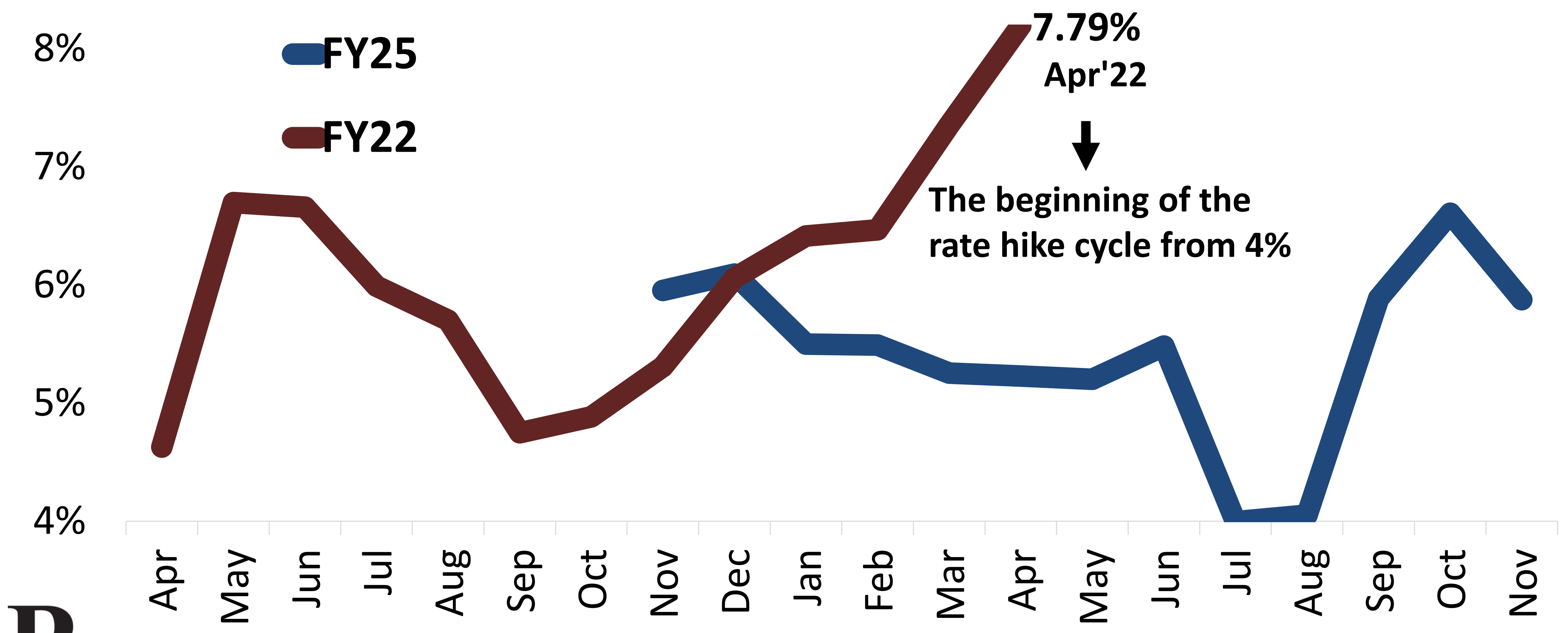
Core CPI has touched new low – since series became available



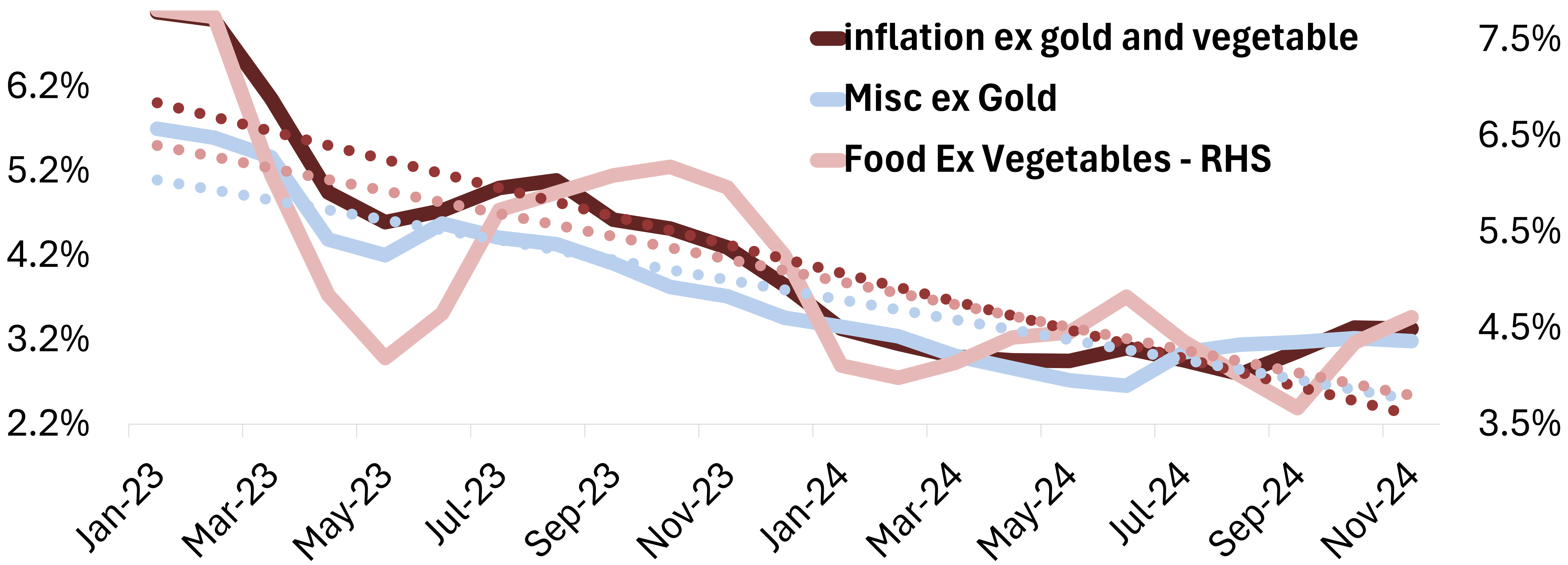
Food Inflation is at historical highs, for quite some time now



The Inflation Trajectory at 4% vs The Inflation Trajectory at 6.5%

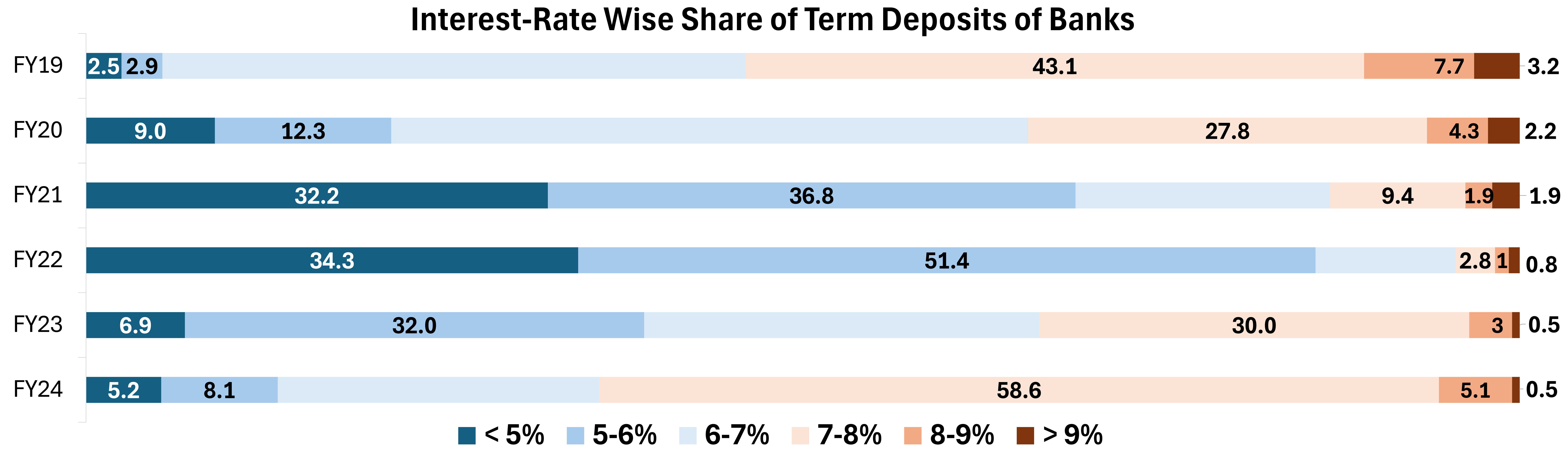


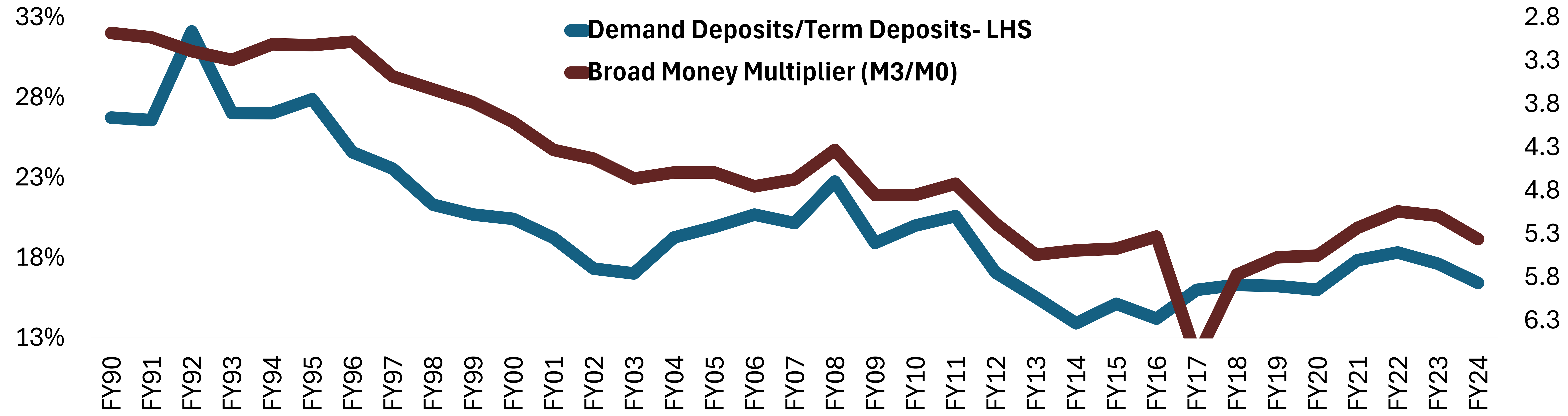
We were okay, if it was not for Vegetables and Gold!



DSP Source: CMIE, DSP. Data as of Nov 2024

The Larger Share of Term Deposits Could Dent Interest Rate Transmission





The share of term deposits offering interest rates above 7% has seen a sharp jump, rising from just 5% in FY22 to an impressive 65% in FY24.

A higher proportion of term deposits with higher interest rates could potentially slow down the transmission of monetary policy. As interest rates fall, the central bank aims to ease financial conditions and increase economic activity. However, **if a significant portion of the additional liquidity is locked in longer-term deposits at higher rates, it may take longer for these higher rates to get impacted by higher policy rates.** This could also dent overall economic activity by restricting the liquidity in the economy. Unlike more liquid demand deposits, term deposits lock in money for longer periods, which slows down the velocity of money — the rate at which money circulates in the economy.

A slower circulation of money could, in turn, lead to reduced economic activity, as less liquid funds are available for immediate consumption or investment.

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Source: RBI, CMIE, DSP. Data as of Nov 2024

Valuation

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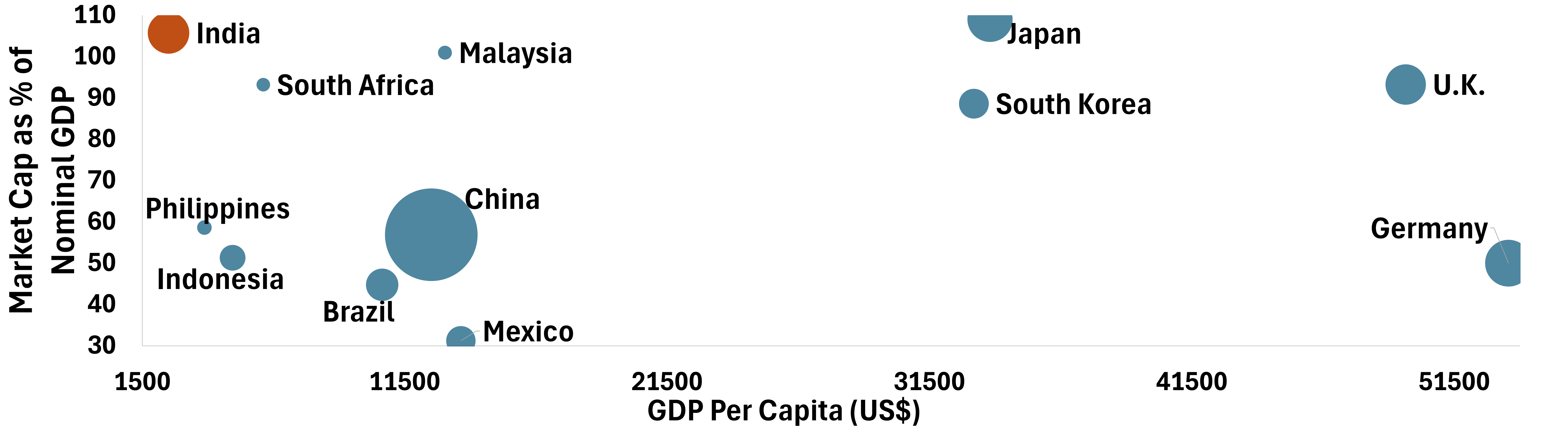
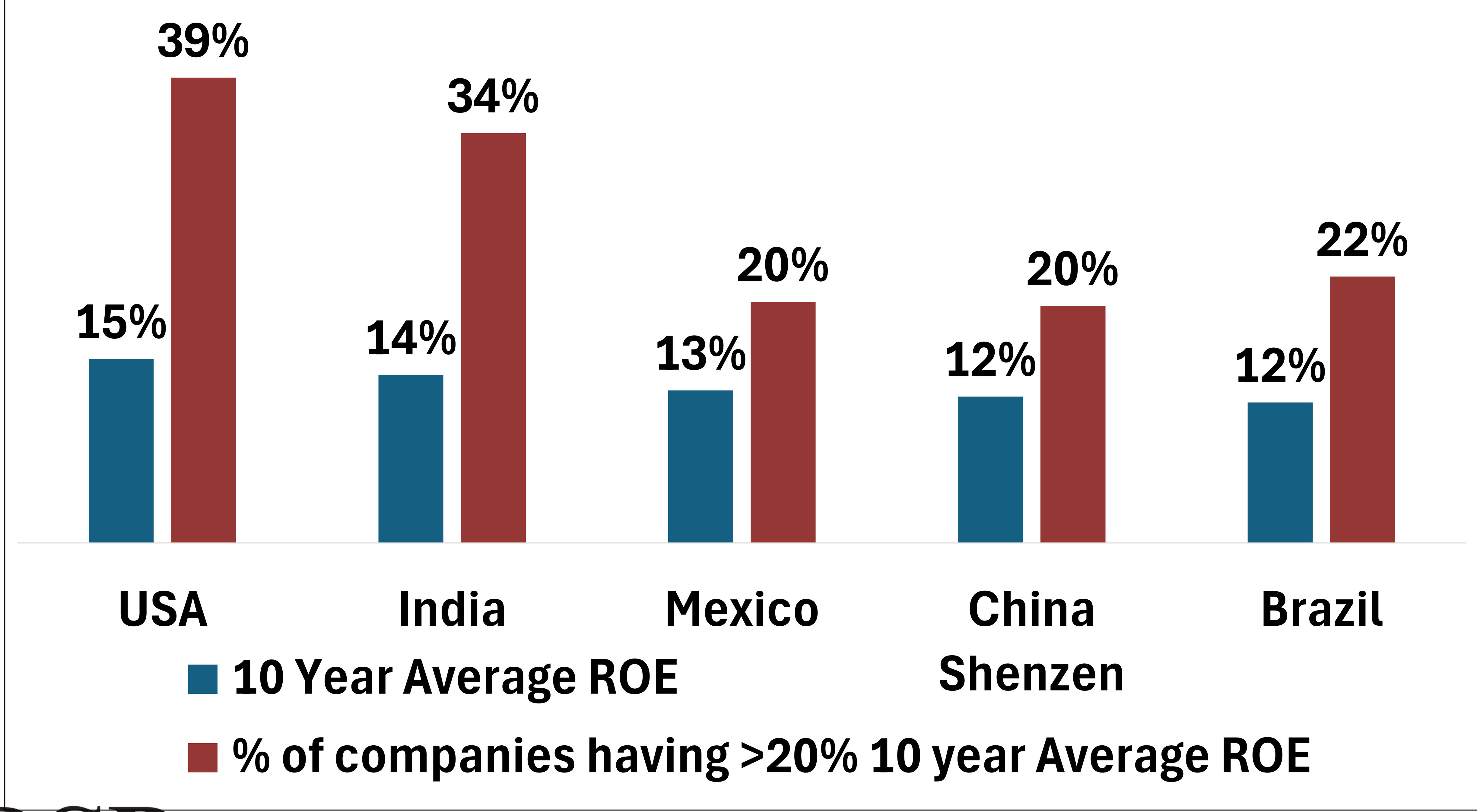
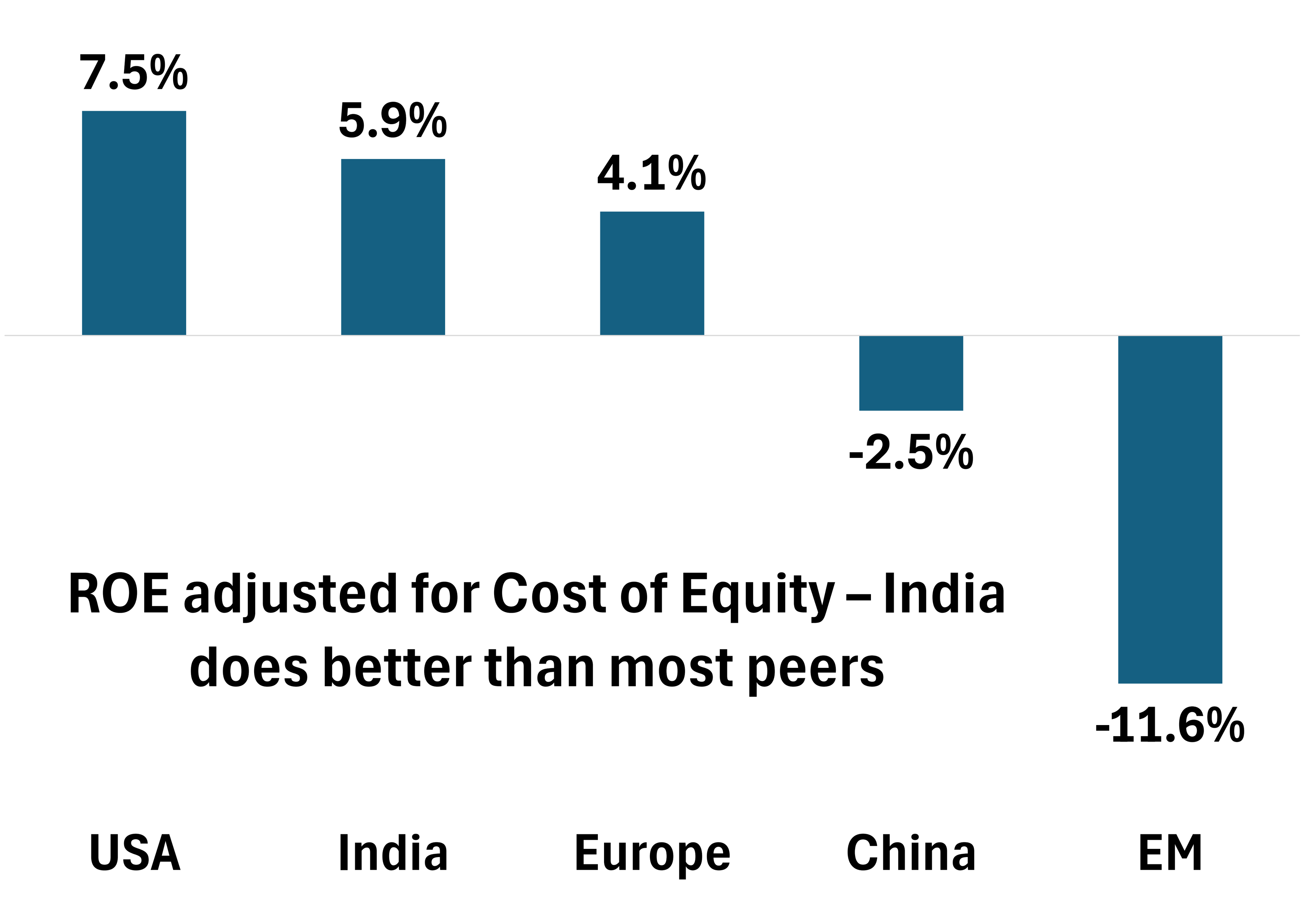
India's Capital Market Prowess, Not Without Merit







India's capital markets have outperformed relative to the size of its economy, driven in part by exuberance. However, achieving such a scale in proportion to income cannot merely be dismissed as a fluke—it's not all exuberance.

What drives market performance? Is it GDP growth, domestic liquidity, or foreign inflows? These factors may seem like straightforward explanations, but they could merely reflect a deeper cause: the sustained growth in corporate earnings.

India ranks second only to the U.S. in the number of firms consistently achieving an ROE of over 20% for more than a decade. This strong performance in ROE is the true engine behind India's superior stock market results, suggesting that the underlying fundamentals are what truly matter, rather than the popular narratives surrounding market performance.

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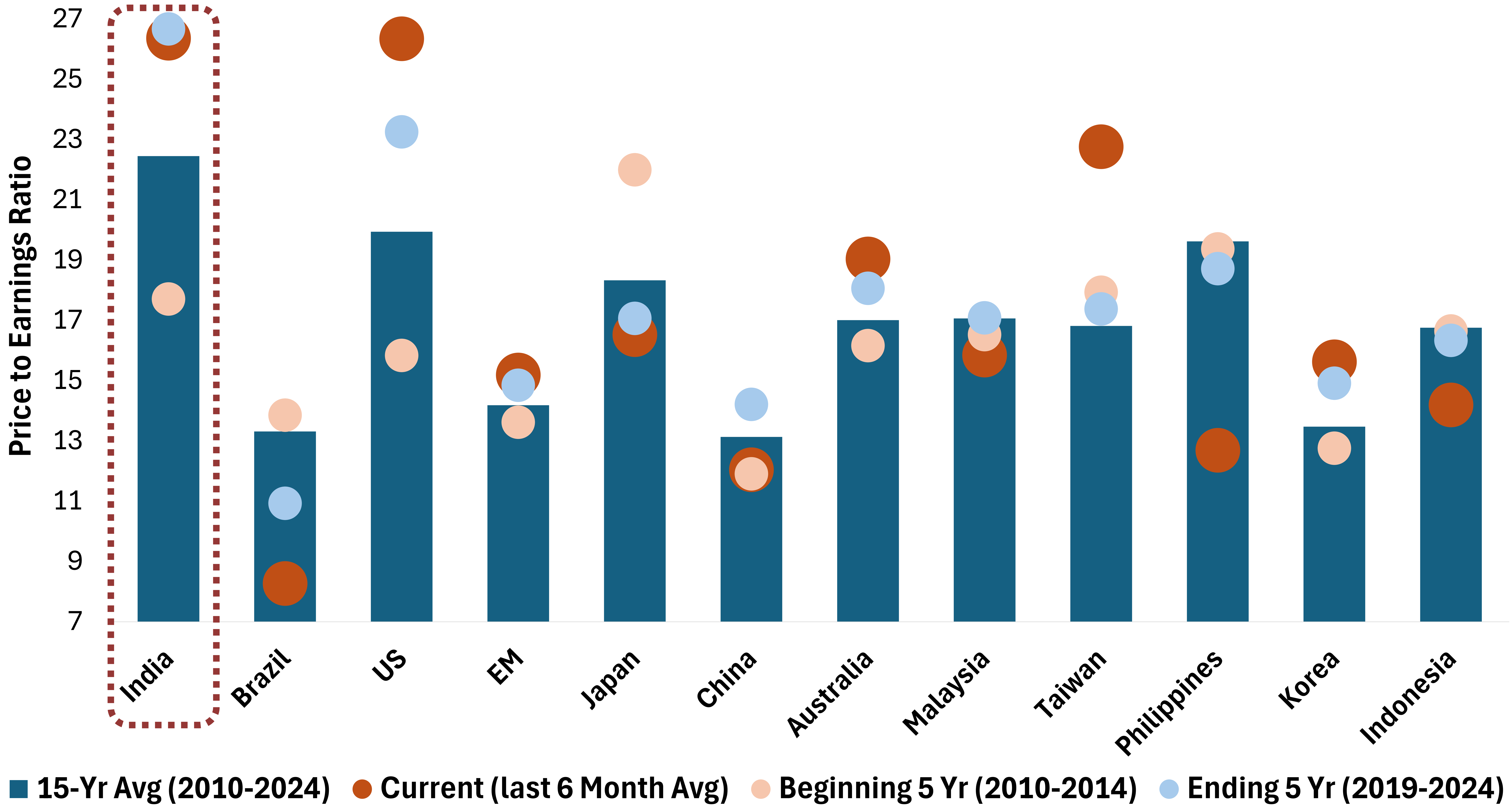
Source: Bloomberg, DSP. Data as of Oct 2024. Large cap indices are considered for all countries. USA – S&P 500, India – Nifty 50, Mexico - S&P/BMV IPC (MEXBOL) Index, China Shenzen – CSI300, Brazil – IBOV Index. For ROE adjusted for Cost of Equity; Source: Aswath Damodaran , DSP. For this chart, ROE of the full market is considered.

High Valuations Have Persisted… But Can Earnings Growth Support Them?



India's capital markets have expanded significantly, driven by strong corporate earnings and the country's consistent high growth trajectory. This growth has been instrumental in firmly putting India on the global investment map.

However, with strong earnings often come higher valuations, and India's markets have undoubtedly reached extremes in certain areas. While much of the premium can be justified, the market's capacity to generate sustained earnings appears stretched, especially with signs of a potential slowdown on the horizon — one that may be temporary but cannot be ignored.

Today, India is counted among the most expensively priced markets globally, alongside the US, where valuations are largely driven by mega-cap tech stocks.

While India's valuations have remained broadly reasonable in recent years, the current high 15-year average is primarily a reflection of the prolonged market boom seen over the past five years.

With a slight volatility in the market, there remains reason to exercise caution if this establishes into a correction.

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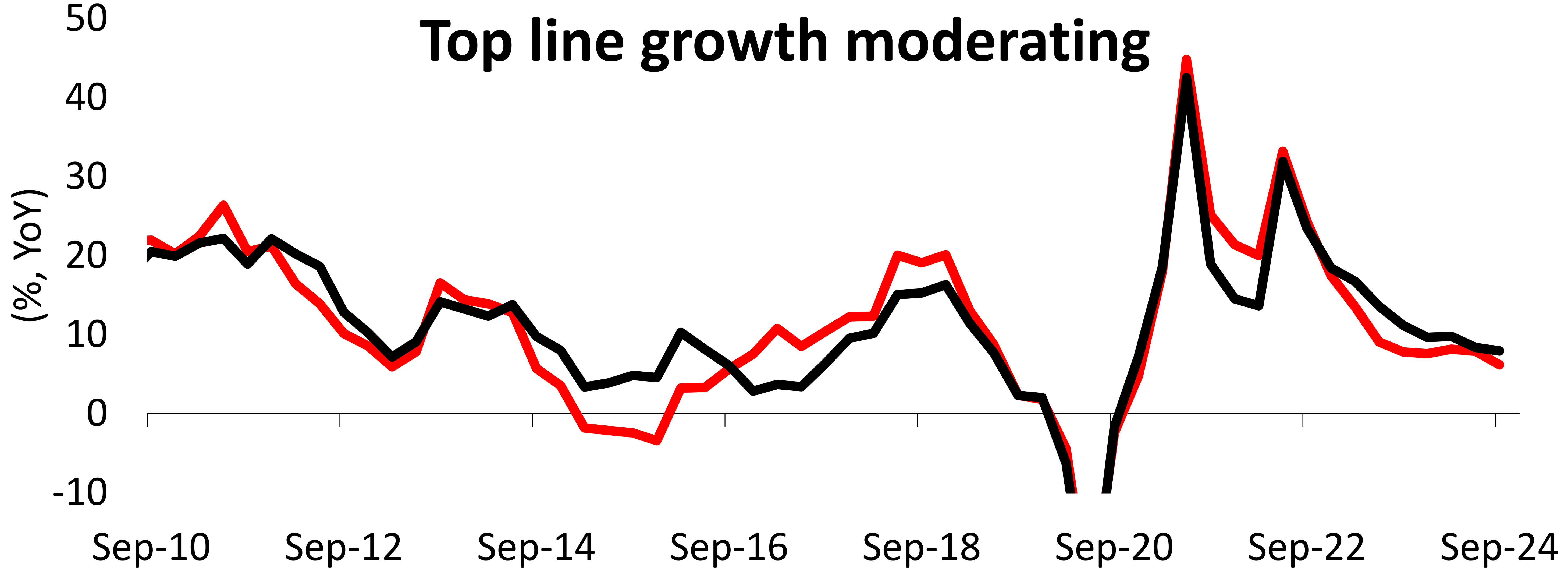
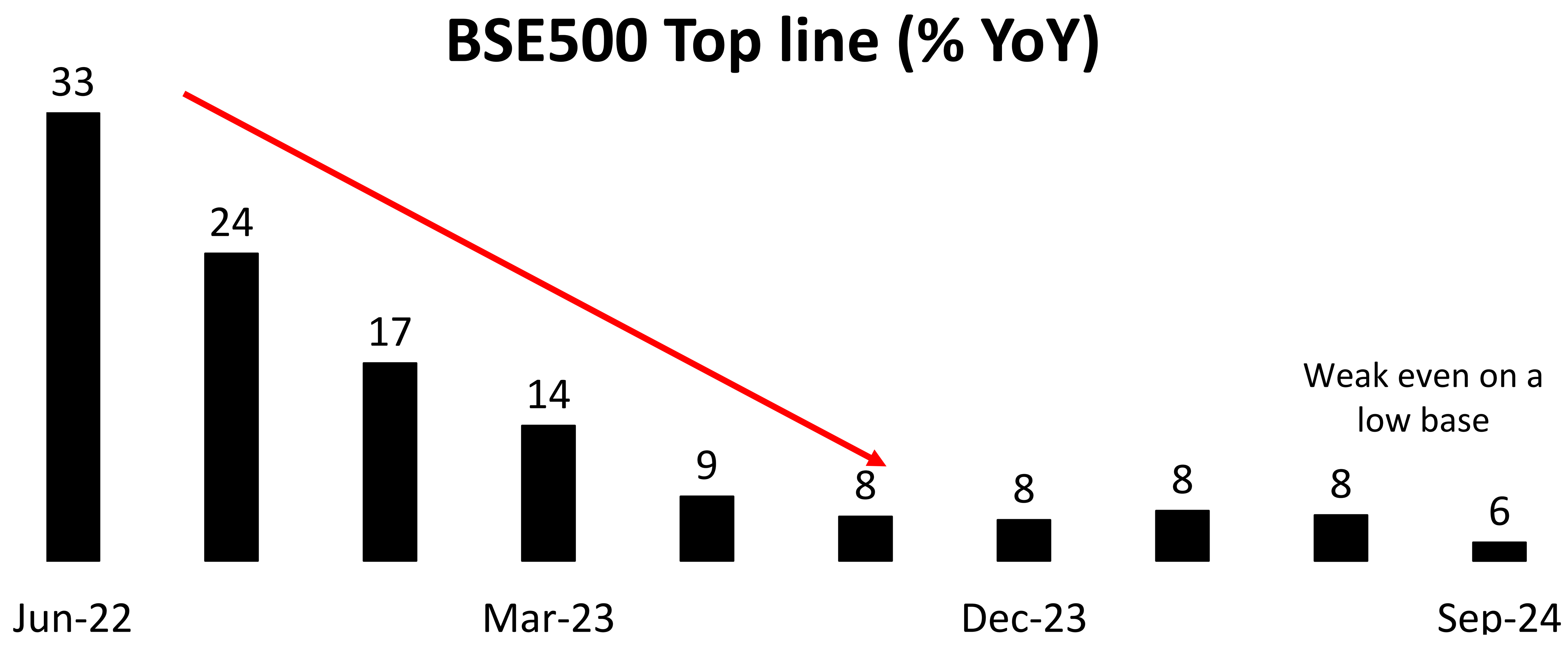
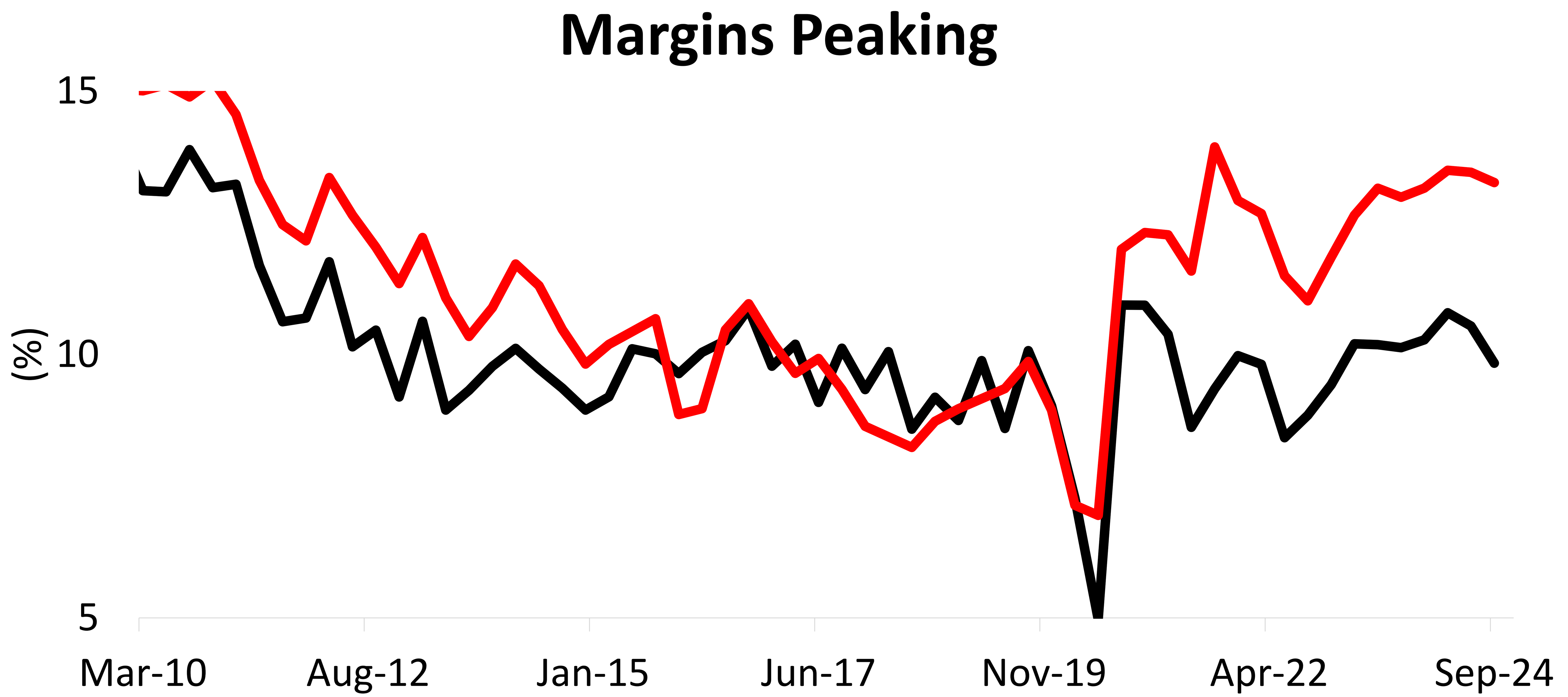
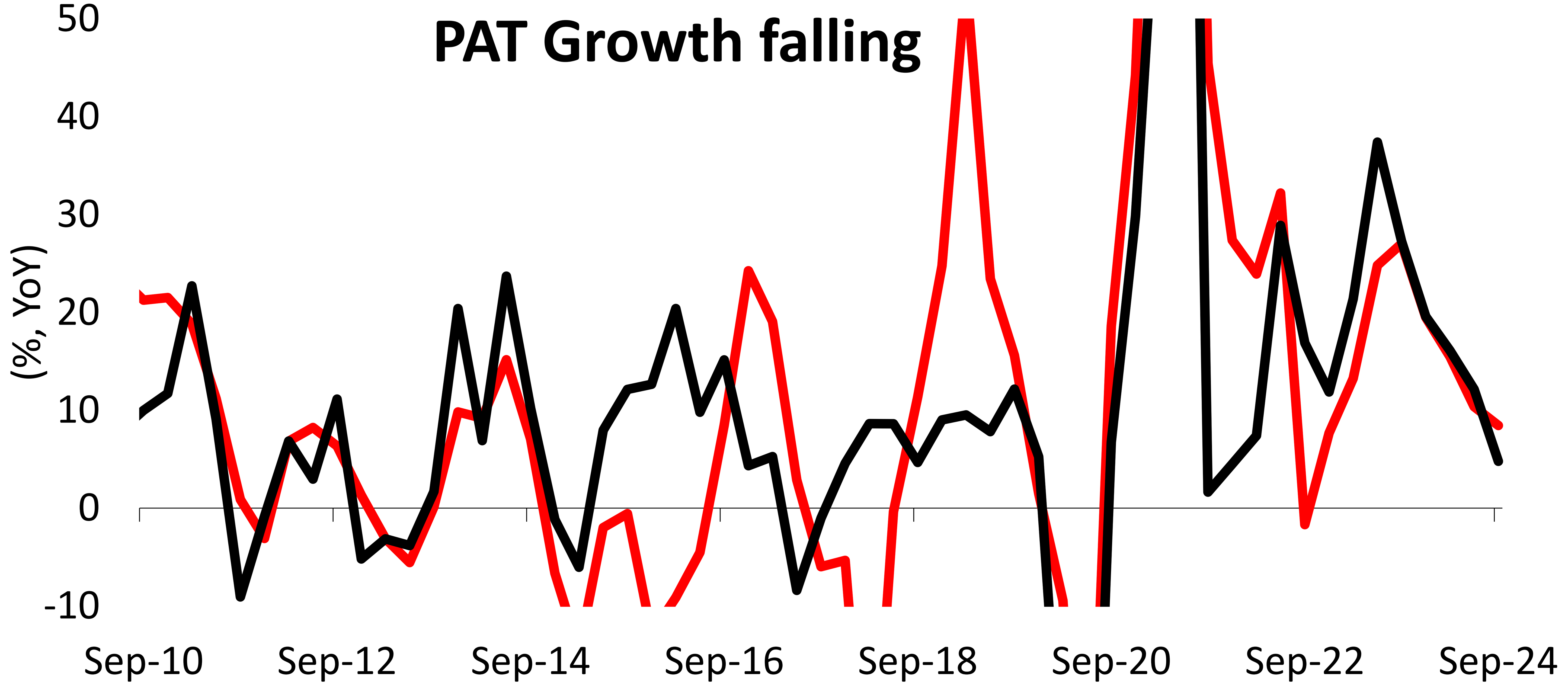
Source: Bloomberg, DSP. Data as of Nov 2024
All Country Indices are MSCI Indices

High Valuations But Corporate Profitability In Slow Lane – Unhealthy Combination









BSE500 BSE500 (ex-BFSI and Commodities)

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Source: Nuvama, DSP. Data as of Nov 2024
Note: OMCs and fertilizers are excluded from BSE500 sample space

Sectors

Sector Play Not Generalized Across Markets

Financials | Info Tech | Comm Services | Healthcare | Energy

S&P500 - Beta based on Yearly Returns										
2012	2013	2014	2015	2016	2017	2018	2019	2020	2023	2024
1.81	1.50	1.49	1.95	1.95	1.71	1.69	1.50	1.34	1.49	1.81
1.01	1.20	1.36	1.16	1.22	1.51	1.51	1.45	1.19	1.26	1.53
0.90	0.85	0.92	0.96	1.15	1.40	1.00	0.94	1.07	1.20	0.97
0.61	0.70	0.73	0.81	1.09	0.73	0.79	0.69	0.93	0.49	0.33
0.38	0.63	0.27	0.37	0.07	-0.31	-0.28	0.57	0.57	0.21	-0.72

NSE500 - Beta based on Yearly Returns												
2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
1.63	1.54	1.43	1.41	1.32	1.30	1.19	1.08	1.42	1.24	1.34	1.65	1.58
1.44	1.52	1.32	1.30	1.30	1.26	1.11	0.89	1.37	1.12	1.14	0.95	1.34
1.41	0.80	0.65	0.61	1.20	0.78	1.05	0.87	1.33	1.08	1.11	0.89	1.18
0.82	0.73	0.48	0.53	0.93	0.61	0.57	0.57	1.16	0.82	0.77	0.88	0.27
0.61	0.70	0.44	0.42	0.36	0.58	0.02	-0.01	0.60	0.60	0.60	0.66	0.24
0.36	0.53	-0.14	-0.11	0.23	0.46	-0.17	-0.63	0.48	0.38	0.35	0.20	0.13

Pharma | Energy | Info Tech | Bank | Private Bank | FMCG

The performance of sectors across global markets is far from uniform, with unique trends and volatility profiles playing out in different regions.

In the US, the ongoing rally in the "Magnificent 7" has pushed the Information Technology sector and Communication Services into the spotlight. While these companies continue to drive significant market gains, they've also made IT the most volatile sector relative to the broader S&P 500.

On the other hand, the more stable sector, financials has not remained too far behind is the US market, but have sort of tempered in the Indian market (represented by Banks), reflecting subdued volatility and a focus on steady performance amidst changing market conditions.

The Energy sector offers another example of sector-specific divergence. In the Indian markets, energy stocks have remained high beta, reflecting strong movements and higher sensitivity to market trends. Conversely, in the US, the energy sector within the S&P 500 has displayed a more patchy return profile over recent quarters, with intermittent performance and limited momentum.

These differences underline the importance of recognizing that sector trends cannot be generalized across markets. Factors like regional growth dynamics, investor sentiment, and market-specific catalysts play a critical role in shaping sectoral behavior, creating a distinct landscape in each economy.

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Source: Bloomberg, DSP. Data as of Nov 2024

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

What Earnings GROWTH!?

Source: Ambit, Bloomberg, DSP. Data as of Nov 2024

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

Banks: Underplaying its Strength...

- **5 yr and 10 yr Pre covid multiples are from Jan-15 to Jan-20 and Jan-10 to Jan-20 respectively**
- The universe is BSE-200
- Price to Embedded value is used for insurance. The valuation data is available only from FY17
- Price to Earnings is used for Technology
- EV/EBITDA is used for Auto, Capital goods, Cement, Chemicals, Consumer, Healthcare, Telecom
- Price to book multiples are used for NBFC, Banks, Metals, Oil and Gas, Real Estate and utilities

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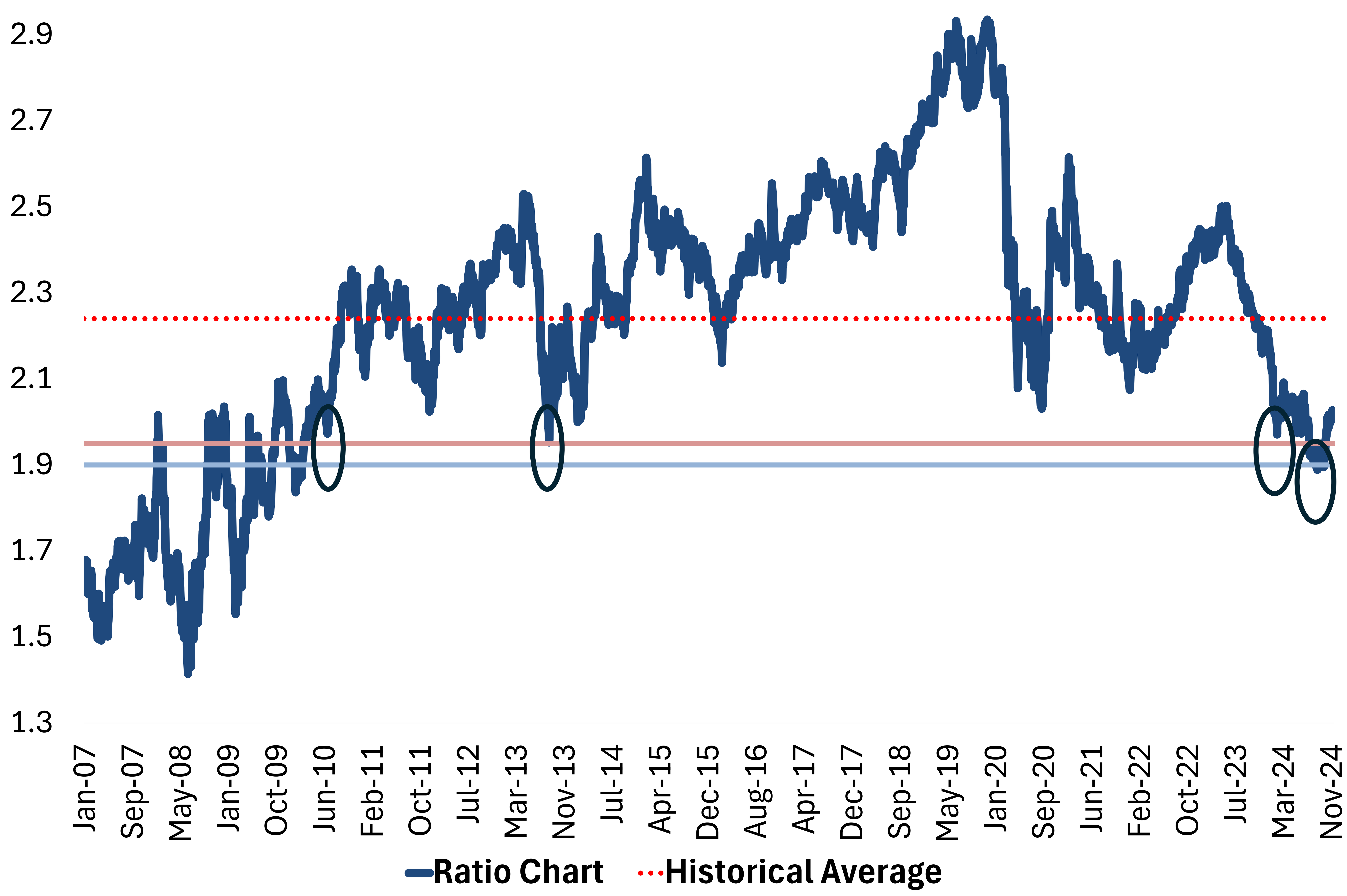
Source: Bloomberg, DSP Report Card. Data as of Nov 2024

…The Longer it Persists, The More Rewarding the Eventual Payoff Will Be

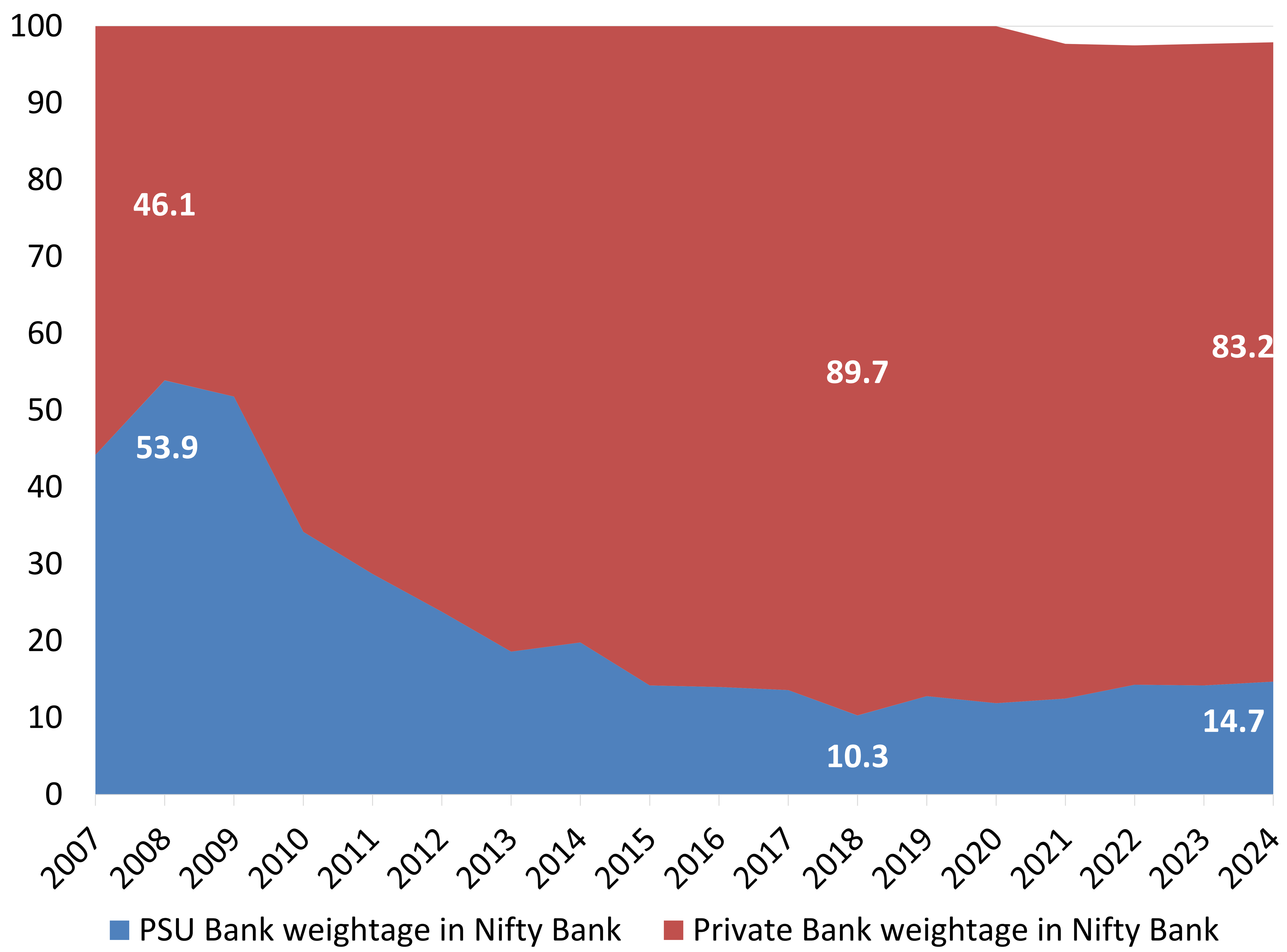
Nifty Bank/Nifty 500 Ratio Chart



As compared to the broader market Nifty Bank as a sector looks to have underperformed as a whole and as seen in the ratio chart is near a level from which it can outperform going forward, the ratio considerably below its average.

The PSU Bank weightage in Bank Nifty is ~14.7%, considerably lower than its high in 2008 at ~54% .

Private Bank v/s Public Bank historical weightage



Source: NSE, MFIE, DSP. Data as of Nov 2024

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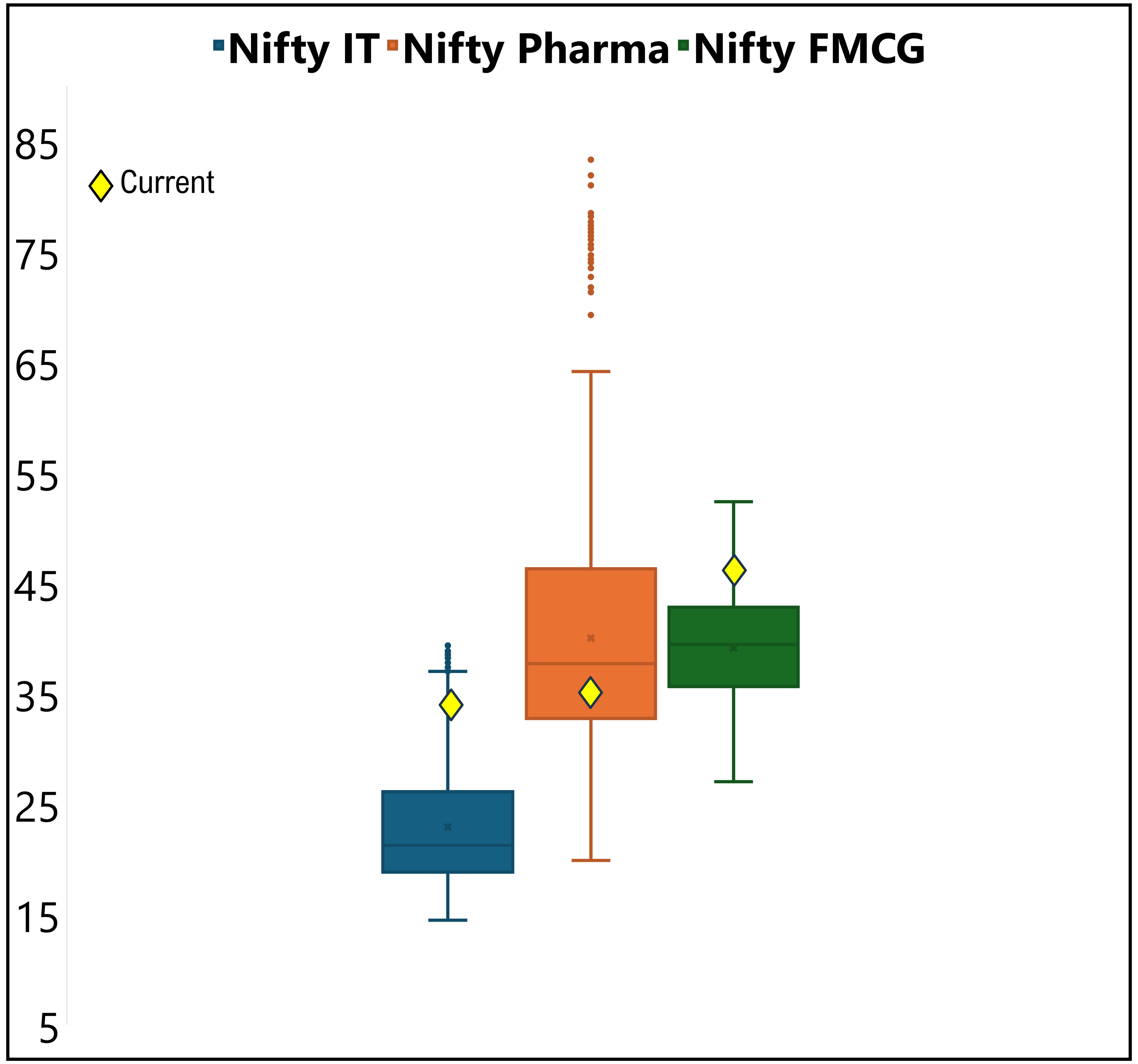
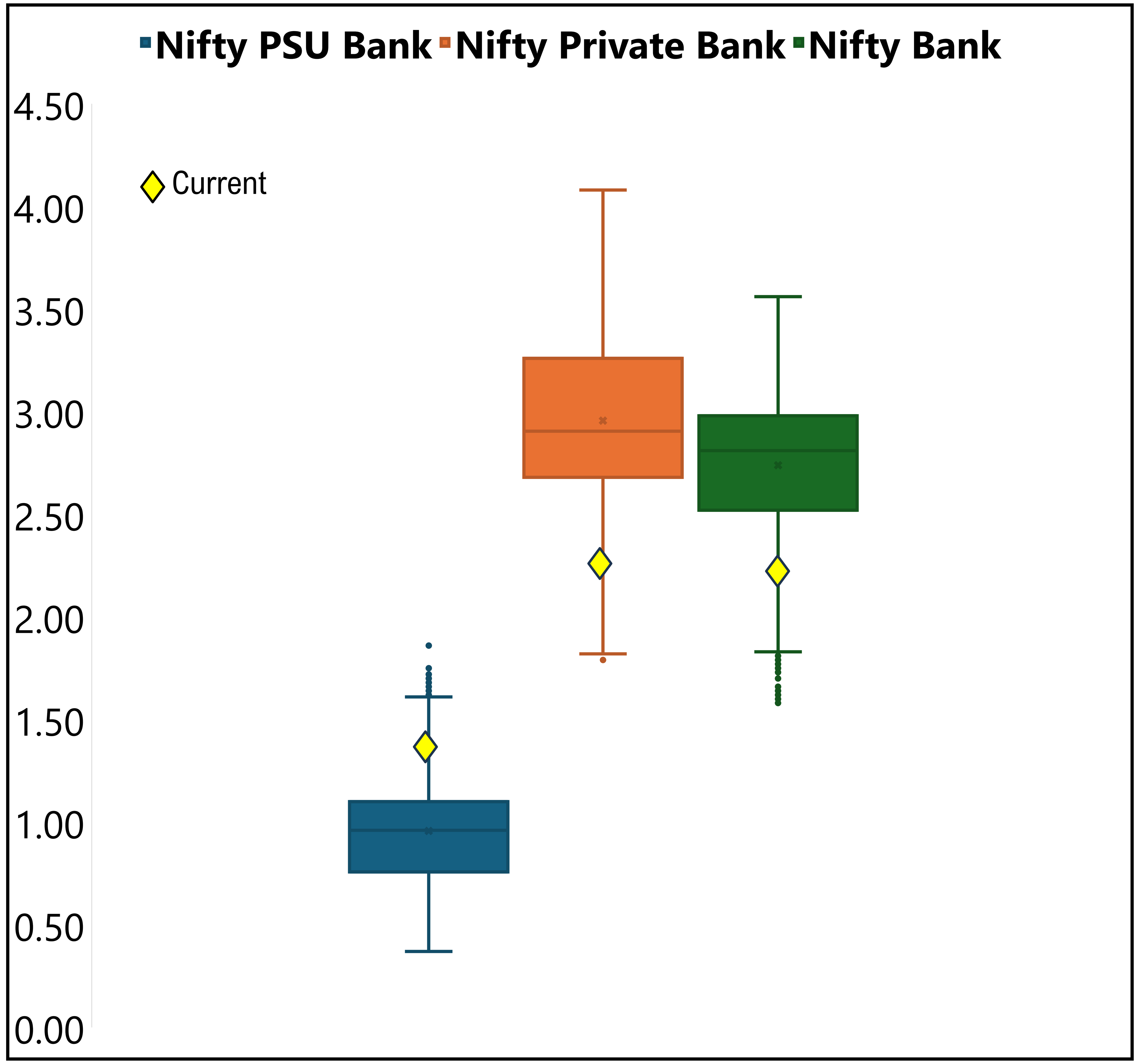
"Defensive" Sector Valuations V/S Banking Sector Valuations

Defensive Sector PE Ratio



Banking Sector PB Ratio



Banking Sector valuations seems better placed as compared to the Defensive Sector valuations relative to their historical values.

Defensive sectors are defined as, Sectors with least 12-month average rolling correlation v/s Nifty 500 since inception.

Source: NSE, DSP. Data as of Nov 2024. Box in the box plot is observations in the range 25 to 75 percentile, the whiskers above and below the box are other data points outside the box range, the outliers in the dataset are the circles (data points) above the whiskers.

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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

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

Conservative Strategy

Portfolio: Conservative

Asset Class	Category	Fund	Allocation
Equity 20%	Index Fund	DSP Nifty Top 10 Equal Weight Index Fund	10%
	Large Cap Fund	DSP Top 100 Equity Fund	5%
	Sectoral / Thematic	DSP Banking & Financial Services Fund	5%
Alternate & Hybrid 20%	Multi Asset Allocation	DSP Multi Asset Allocation Fund	20%
Debt 60%	Money Market Fund	DSP Savings Fund	10%
	Short Duration Fund	DSP Short Term Fund	15%
	Dynamic Bond	DSP Strategic Bond Fund	35%

Moderate Strategy

Portfolio: Moderate

Asset Class	Category	Fund	Allocation
Equity 50%	Large Cap Fund	DSP Top 100 Equity Fund	20%
	Sectoral / Thematic	DSP Healthcare Fund	10%
	Value Fund	DSP Value Fund	15%
	Sectoral / Thematic	DSP Banking & Financial Services Fund	5%
Alternate & Hybrid 20%	Multi Asset Allocation	DSP Multi Asset Allocation Fund	20%
Debt 30%	Money Market Fund	DSP Savings Fund	5%
	Short Duration Fund	DSP Short Term Fund	5%
	Dynamic Bond	DSP Strategic Bond Fund	20%

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Disclaimer: For complete details on investment objective, investment strategy, asset allocation, scheme specific risk factors and more details, please read the Scheme Information Document, and Key Information Memorandum of the scheme available on ISC of AMC and also available on www.dspim.com
The above table is indicative in nature. Investors should consult their financial advisors if in doubt about whether the scheme is suitable for them.

Aggressive Strategy

Portfolio: Aggressive

Asset Class	Category	Fund	Allocation
Equity 60%	Large Cap Fund	DSP Top 100 Equity Fund	35%
	Index Fund	DSP Nifty Top 10 Equal Weight Index Fund	10%
	Sectoral / Thematic	DSP Healthcare Fund	5%
	Sectoral / Thematic	DSP Banking & Financial Services Fund	10%
Alternate & Hybrid 25%	Equity Savings	DSP Equity Savings Fund	15%
	Dynamic Asset Allocation or Balanced Advantage	DSP Dynamic Asset Allocation Fund	10%
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 50%	Index Fund	DSP Nifty Top 10 Equal Weight Index Fund	30%
	Sectoral / Thematic	DSP Quant Fund	15%
	Index Fund	DSP Nifty Bank Index Fund	5%
Alternate & Hybrid 25%	ETFs - Others	DSP Silver ETF	10%
	FoFs- Domestic	DSP Gold ETF Fund of Fund	15%
Debt 25%	Index Fund	DSP CRISIL SDL Plus G-Sec Apr 2033 50:50 Index Fund	25%

…And Some Fun Recommendations

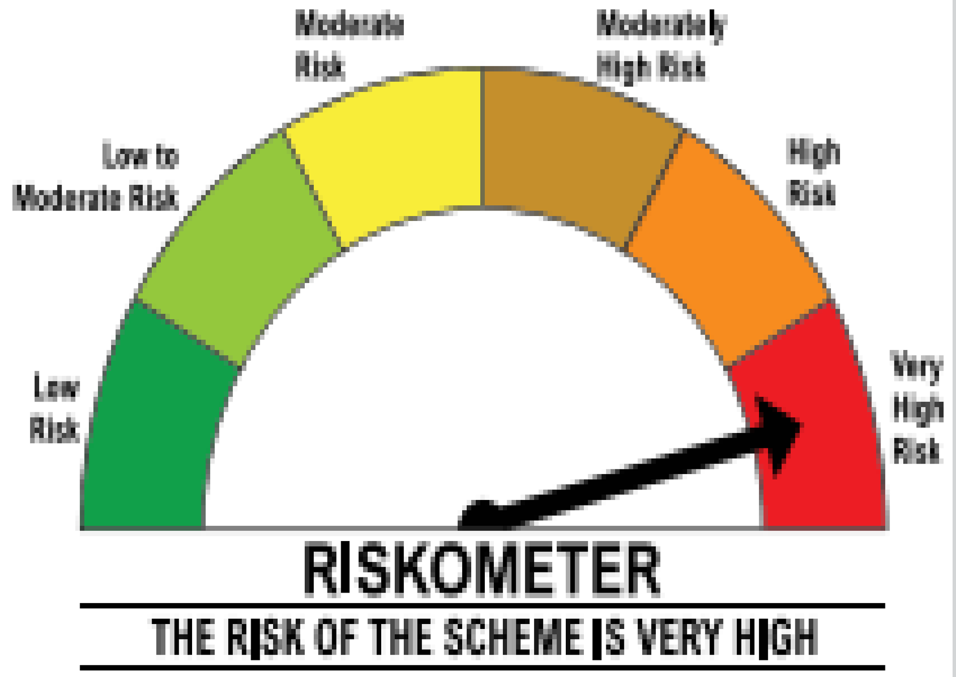
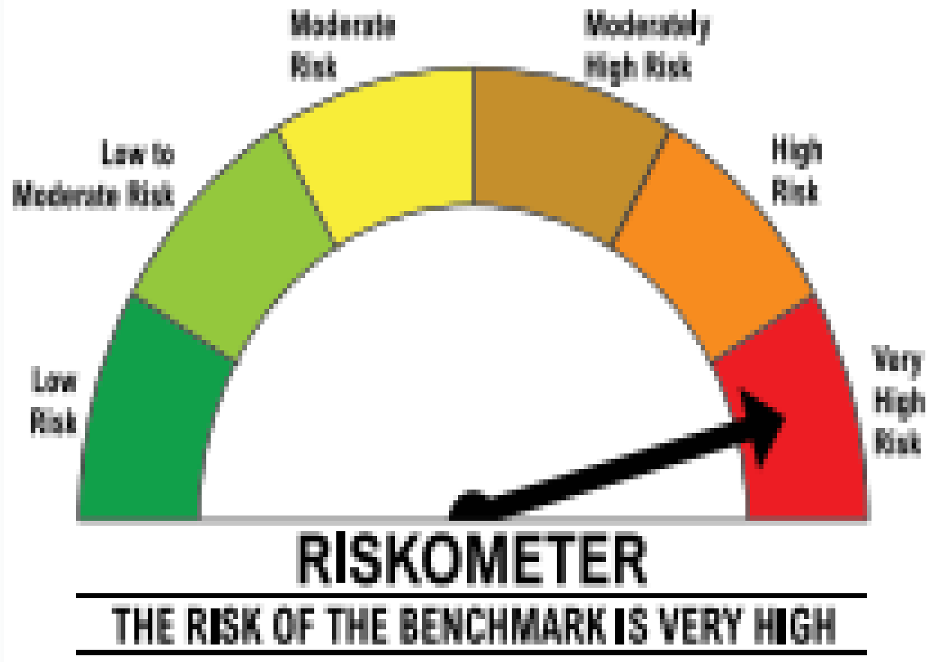
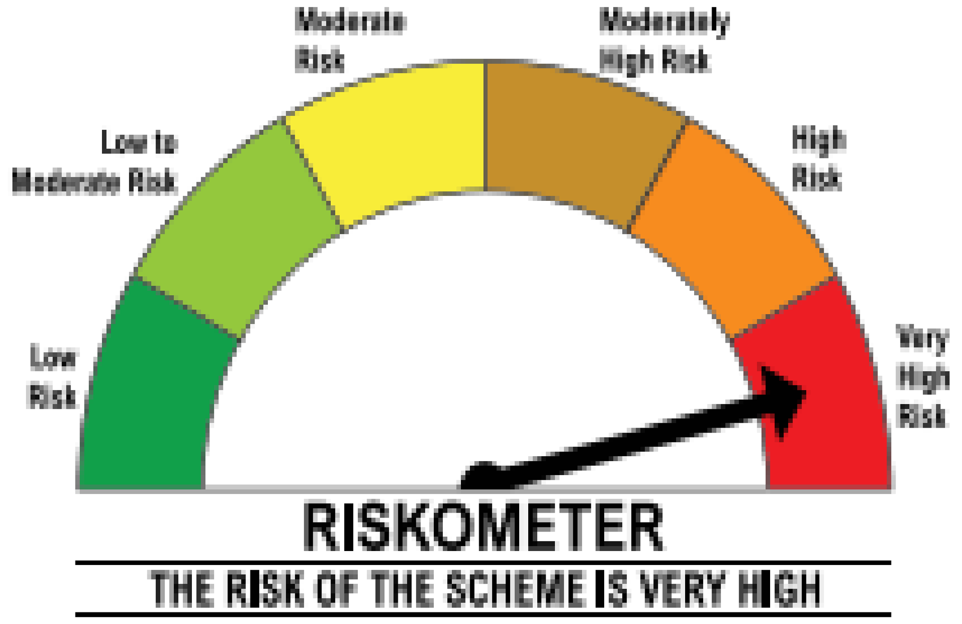
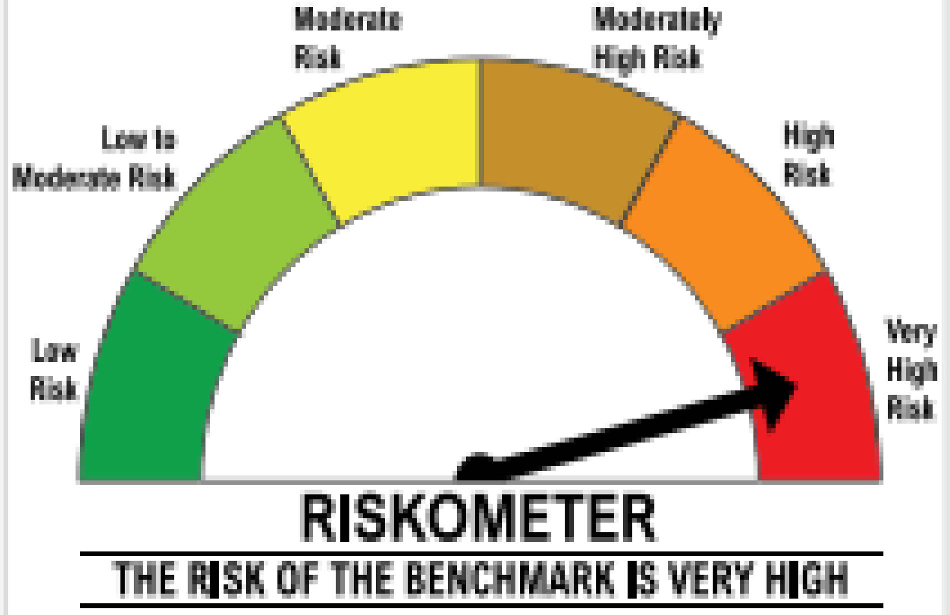
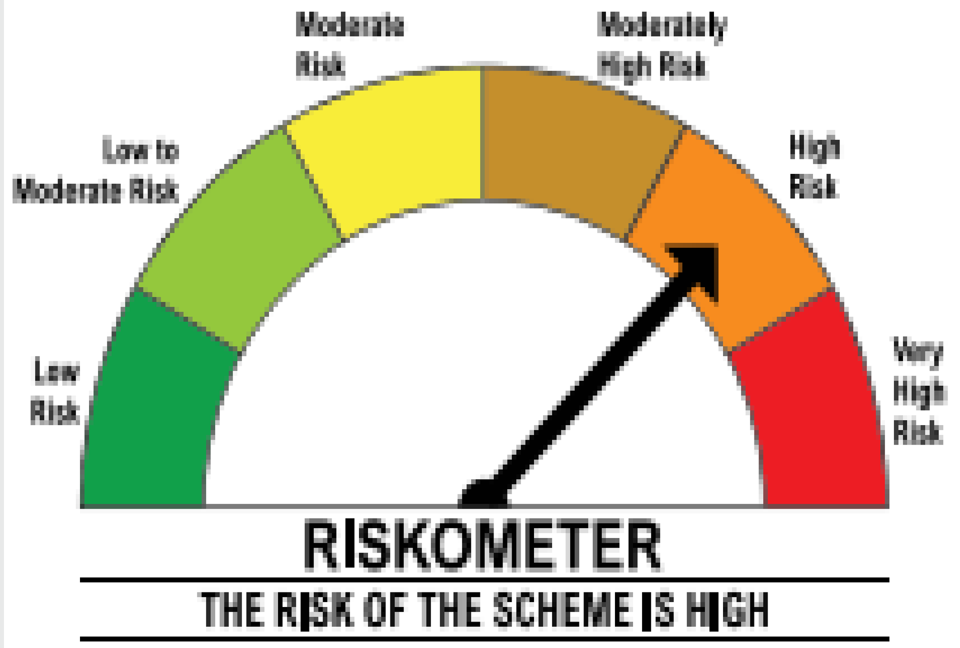
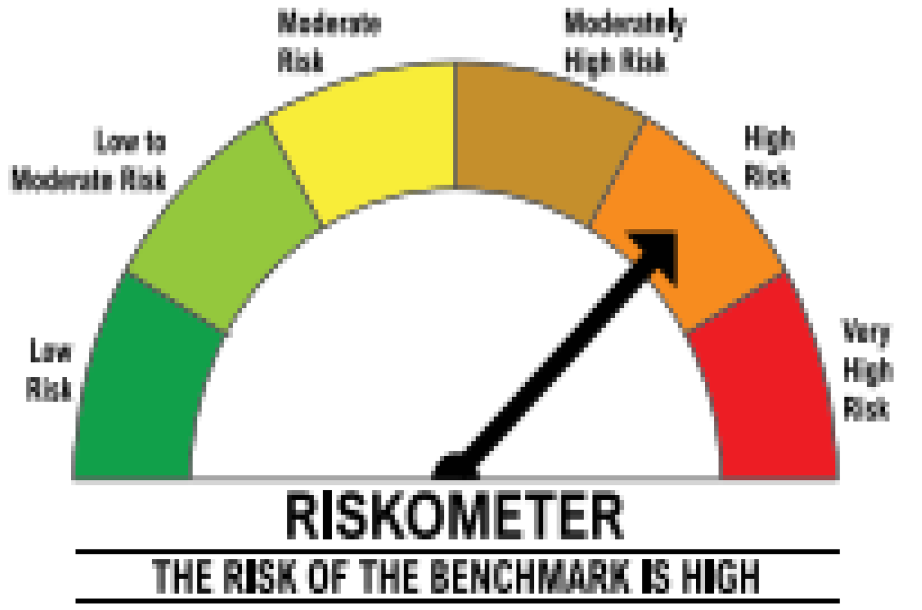
What we liked:

- Book: "The Great Depression: A Diary" by Benjamin Roth
- Podcast: Dr. Kelly Starrett: How to Improve Your Mobility, Posture & Flexibility
- Article: Why are stock market 'experts' reluctant to accept uncertainty

Our in-house creations:

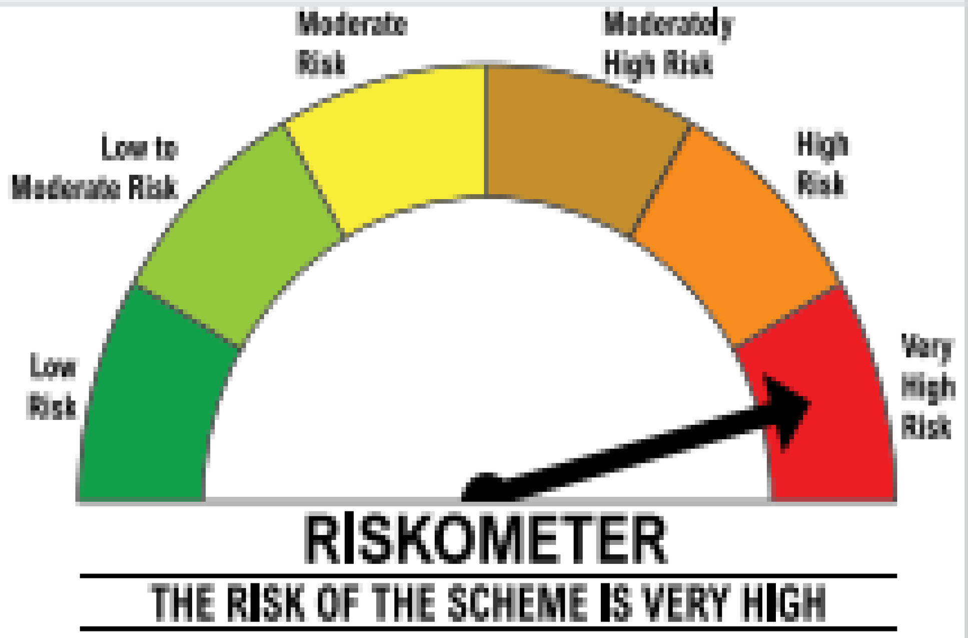
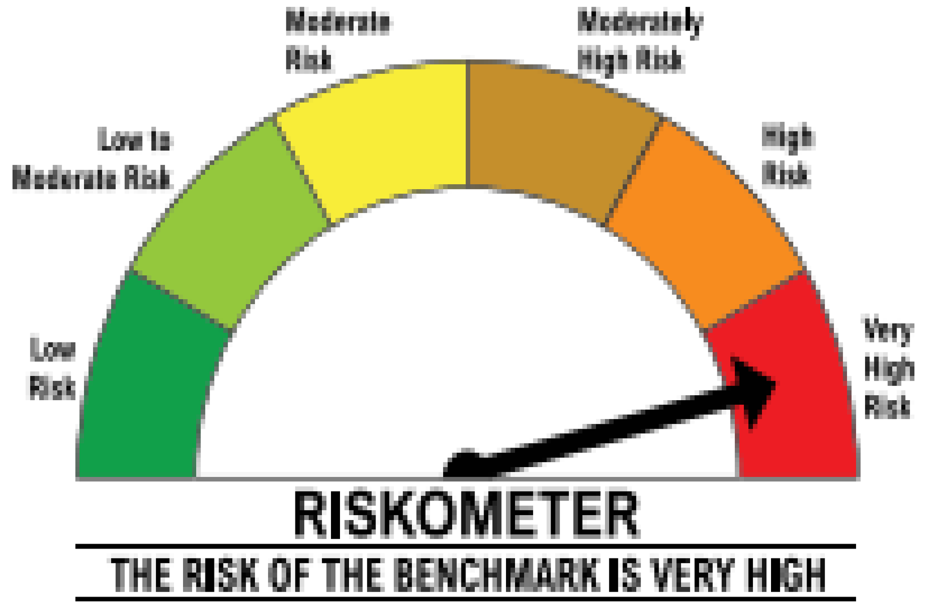
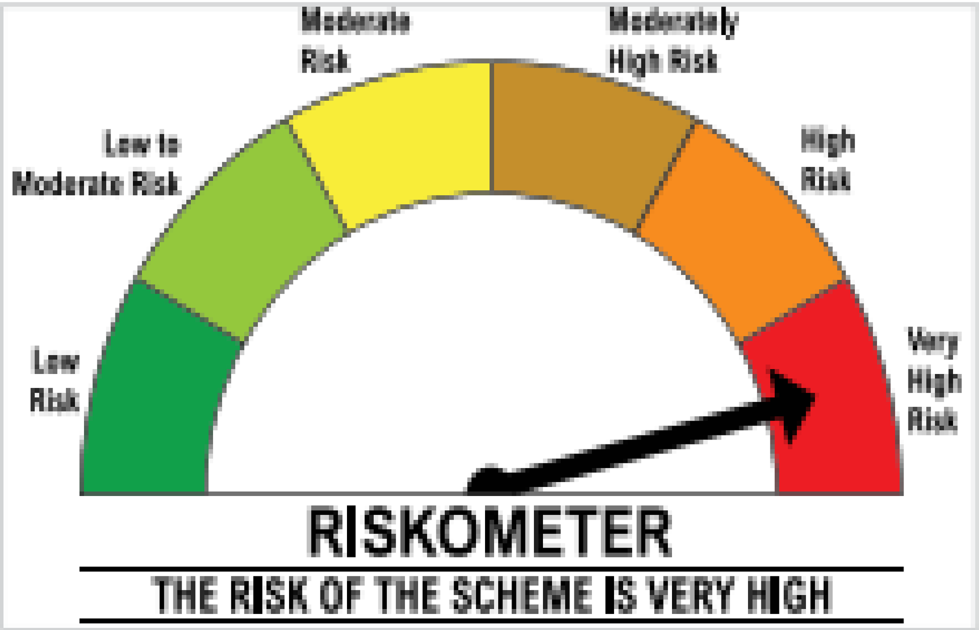
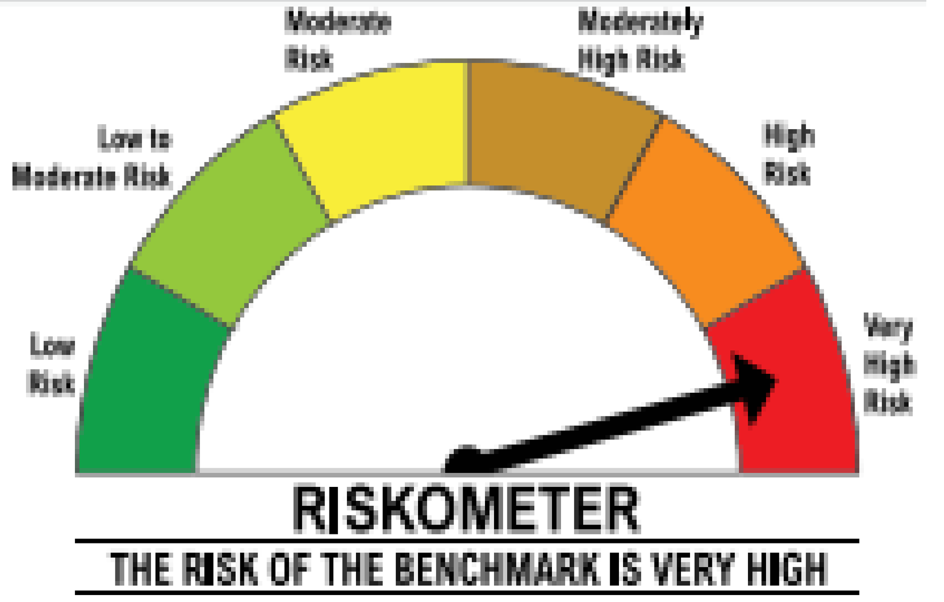
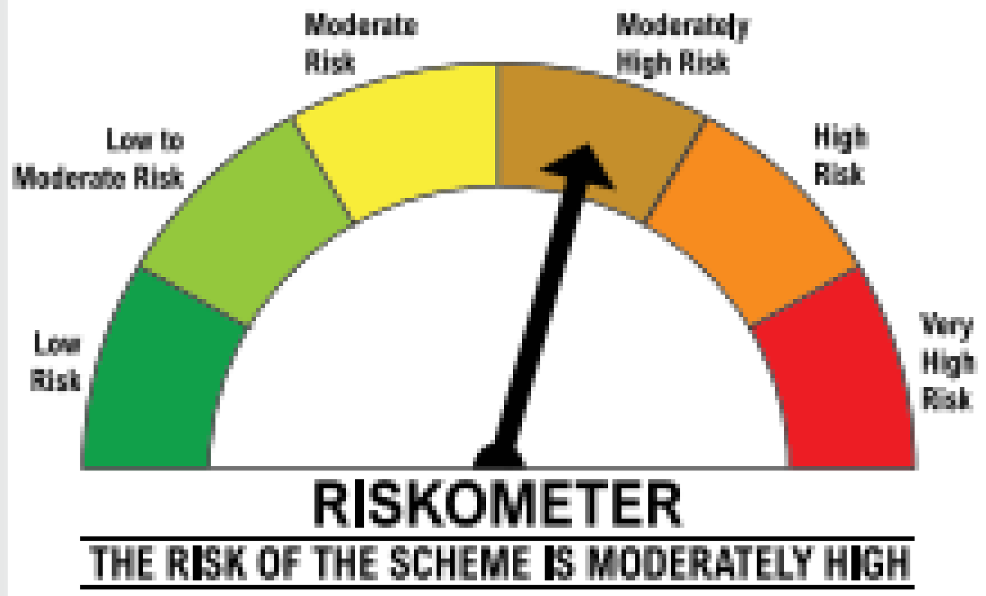
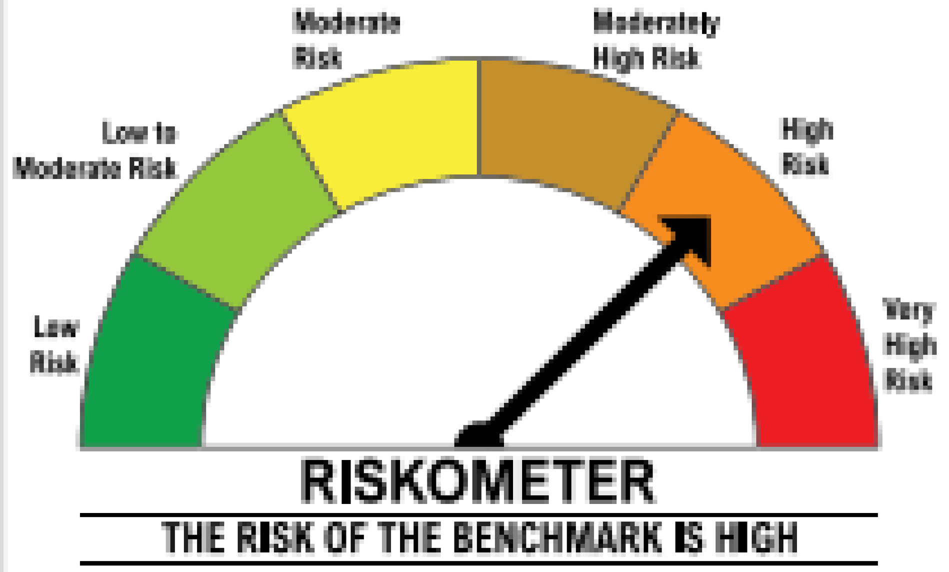
- Short Documentary Film | Pay it Forward| Watch here
- DSP Blog| The Indian Rodeo| Read the Blog
- DSP Blog | The Art of Waiting | Read here

Product labelling & Riskometer

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

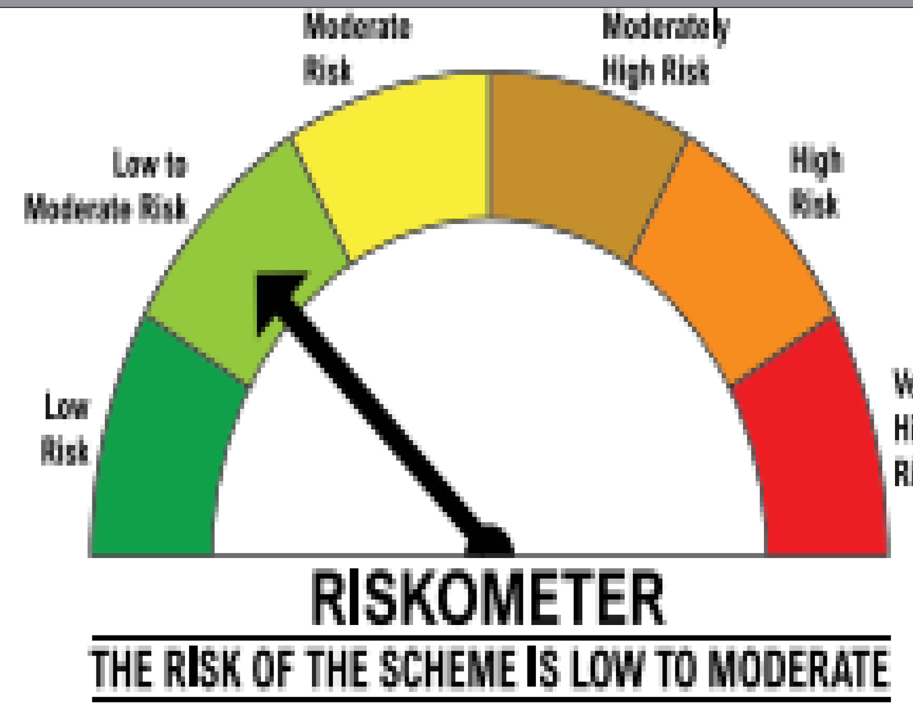
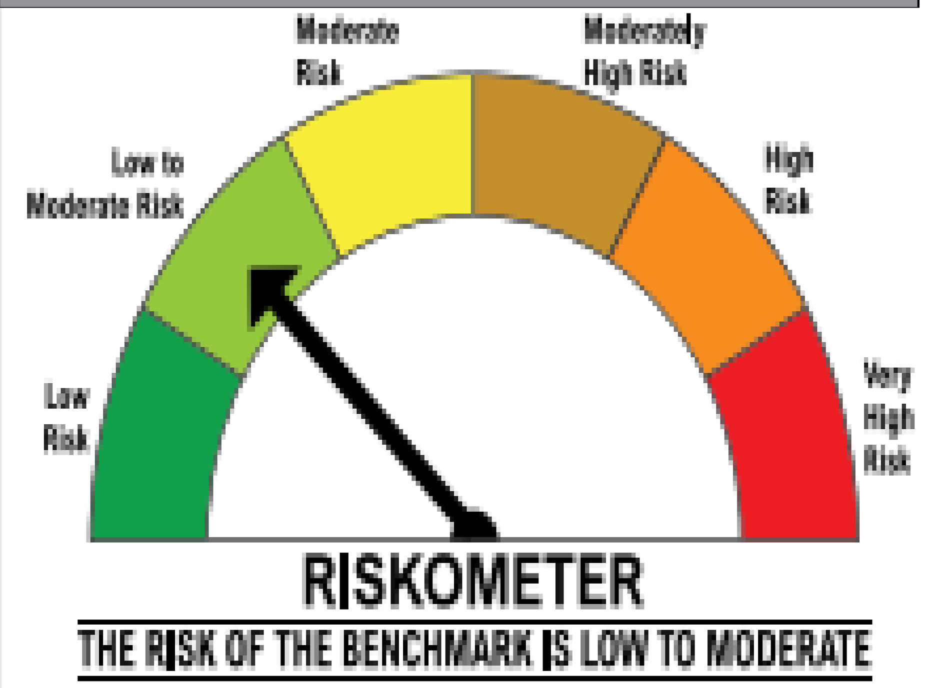
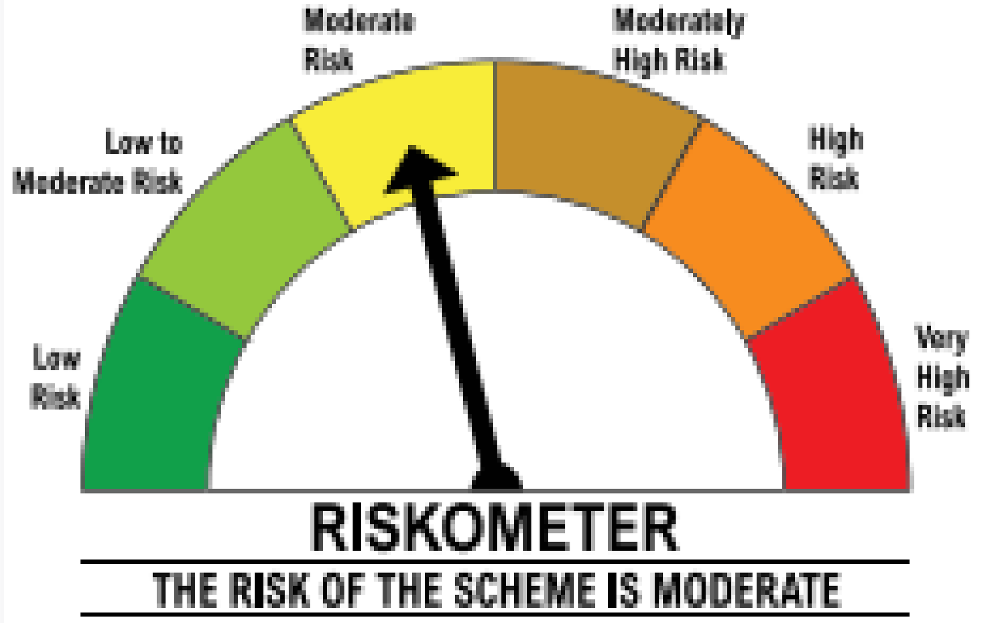
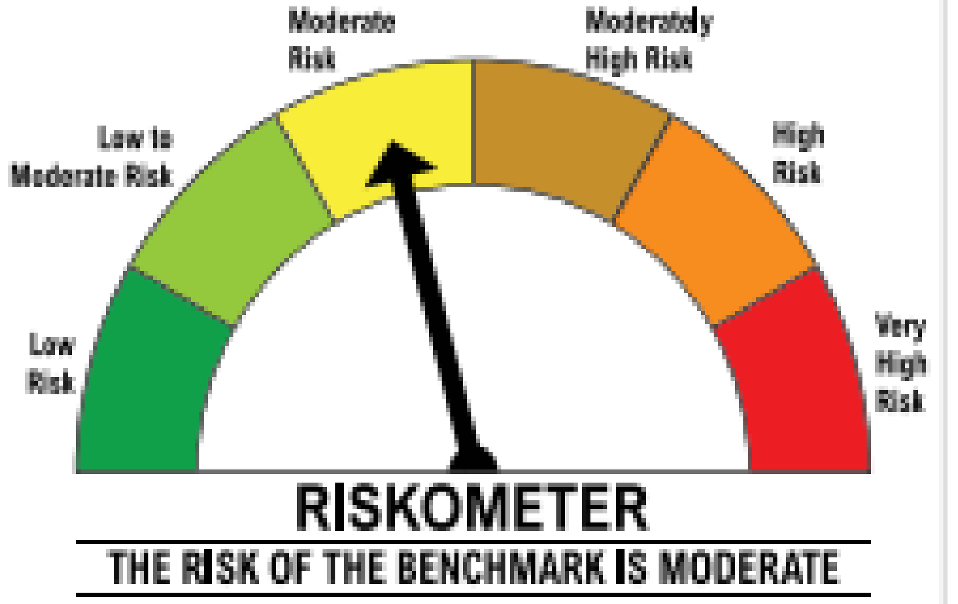
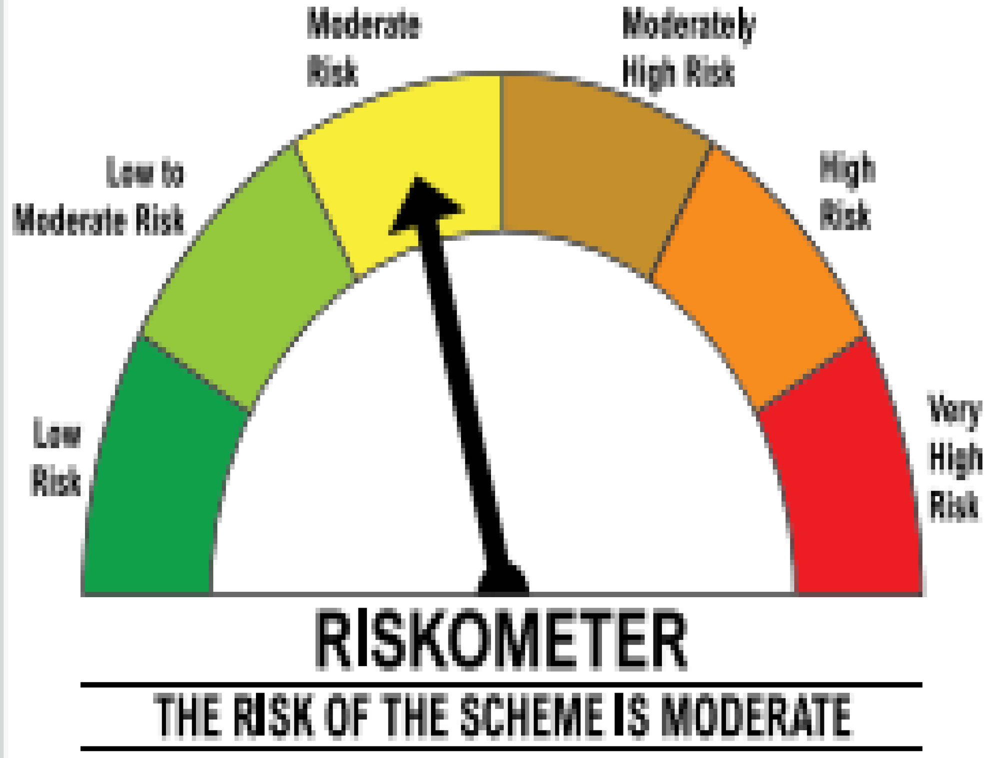
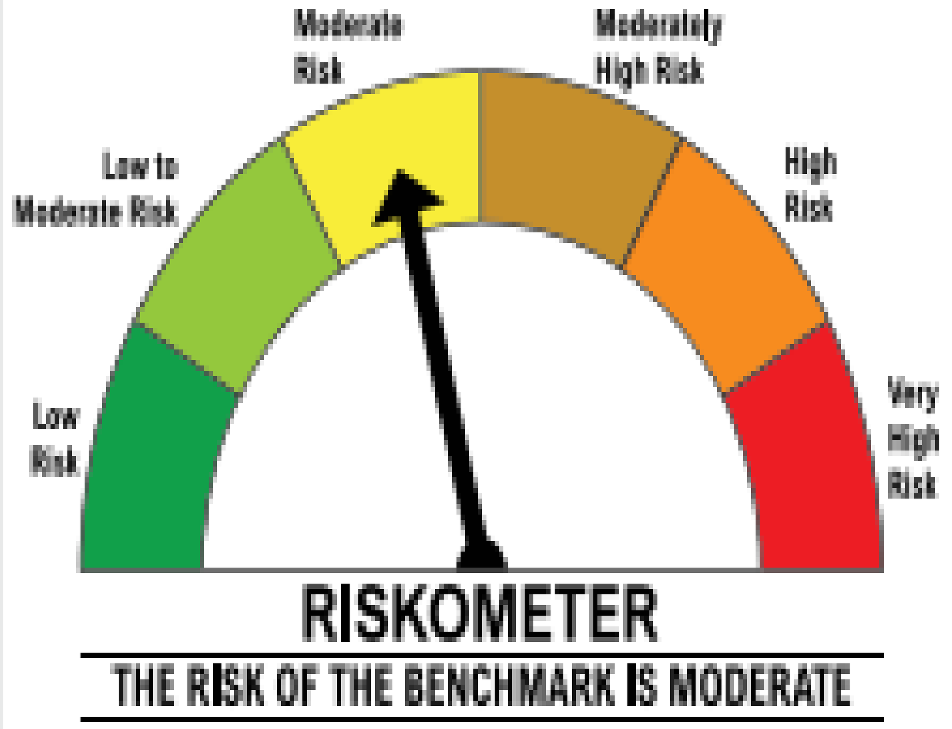
*Investors should consult their financial advisors if in doubt about whether the scheme is suitable for them.

Product labelling & Riskometer

Scheme	Product Suitability	Riskometer of Scheme	Name of Benchmark	Riskometer of Benchmark
DSP Nifty Bank Index Fund An open ended scheme replicating/ tracking Nifty Bank Index.	This product is suitable for investor who are seeking* • Long-term capital growth • Investment in equity and equity related securities covered by Nifty Bank Index, subject to tracking error.		Nifty Bank TRI	
DSP Healthcare Fund An open ended equity scheme investing in healthcare and pharmaceutical sector	This Product is suitable for investors who are seeking* • Long term capital growth • Investment in equity and equity related Securities of healthcare and pharmaceutical companies		BSE HEALTHCARE (TRI)	
DSP Dynamic Asset Allocation Fund An open ended dynamic asset allocation fund #Please refer to Notice cum addendum dated August 08, 2024 for change in fundamental attribute of scheme with effect from September 21, 2024.	This product is suitable for investors who are seeking* • Long-term capital growth • Investment in equity and equity related securities including the use of equity derivatives strategies and arbitrage opportunities with balance exposure in debt and money market instruments.		CRISIL Hybrid 50+50 - Moderate Index	

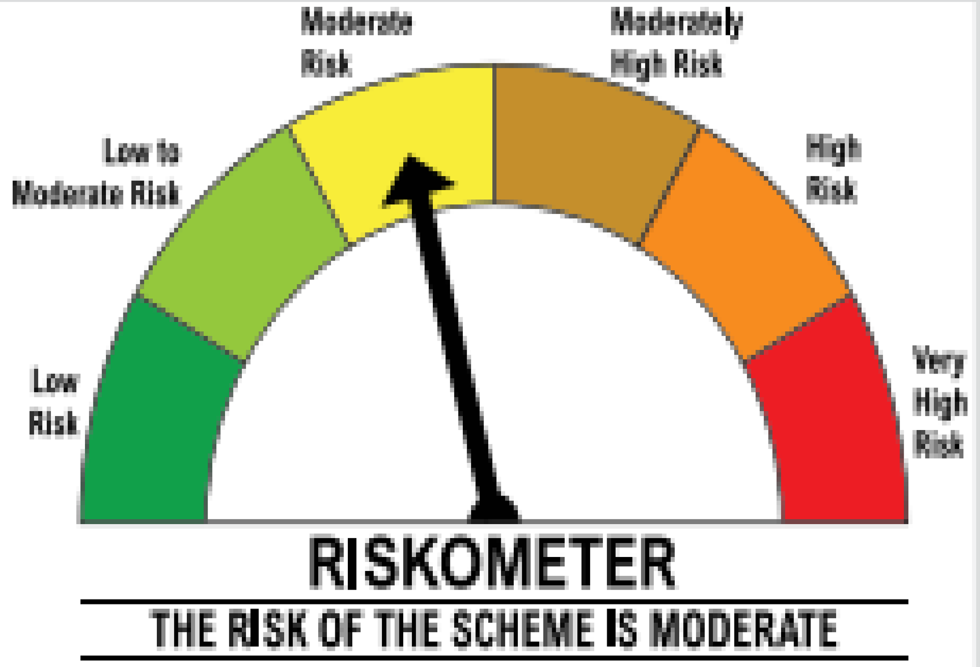
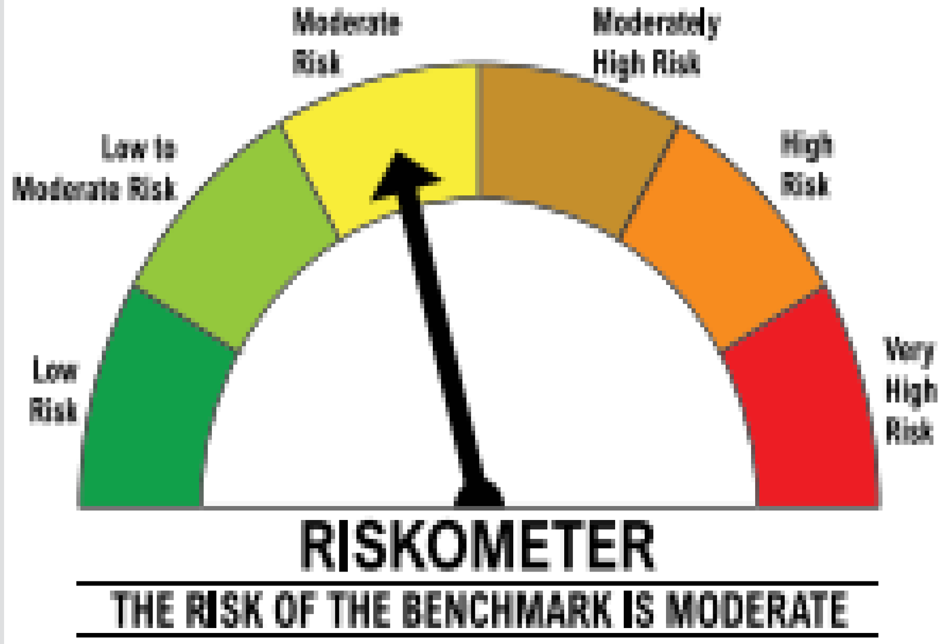
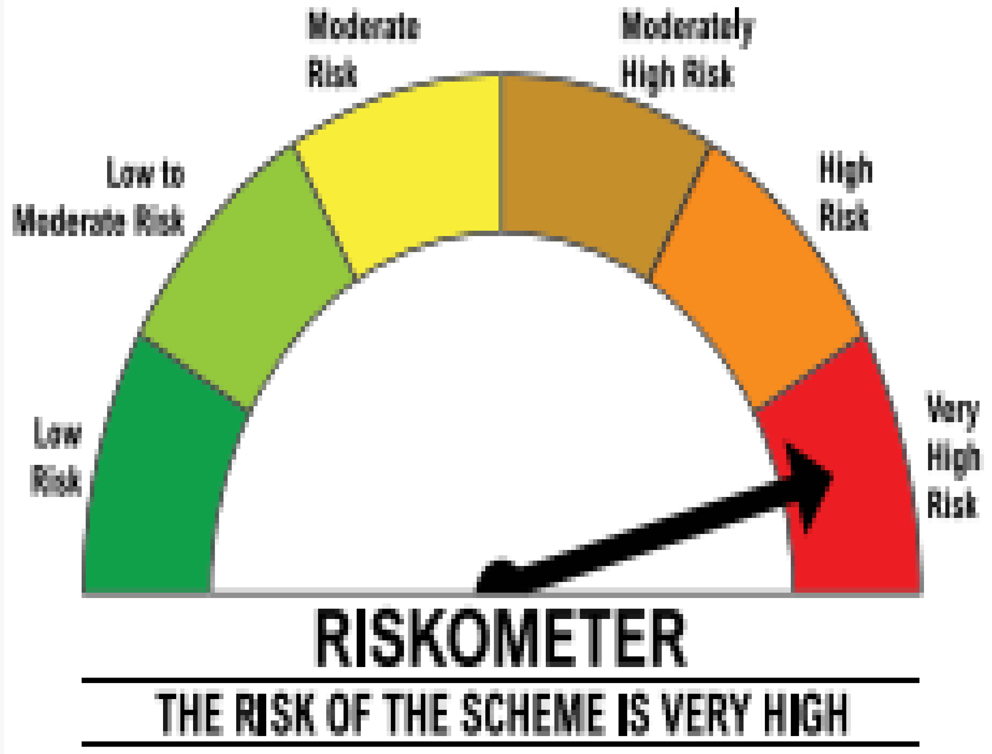
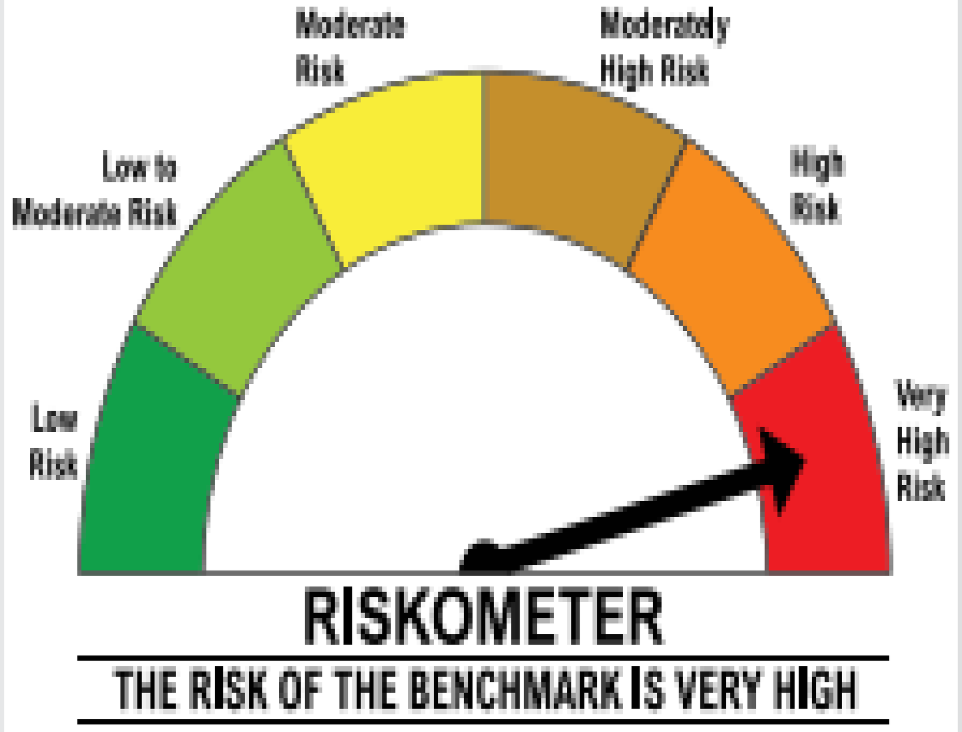
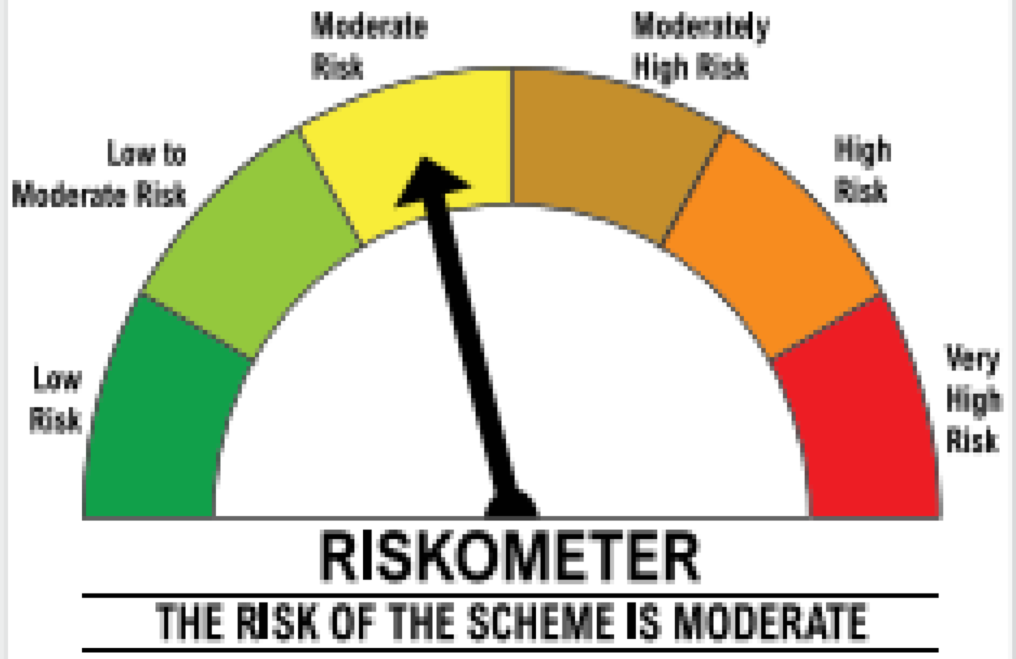
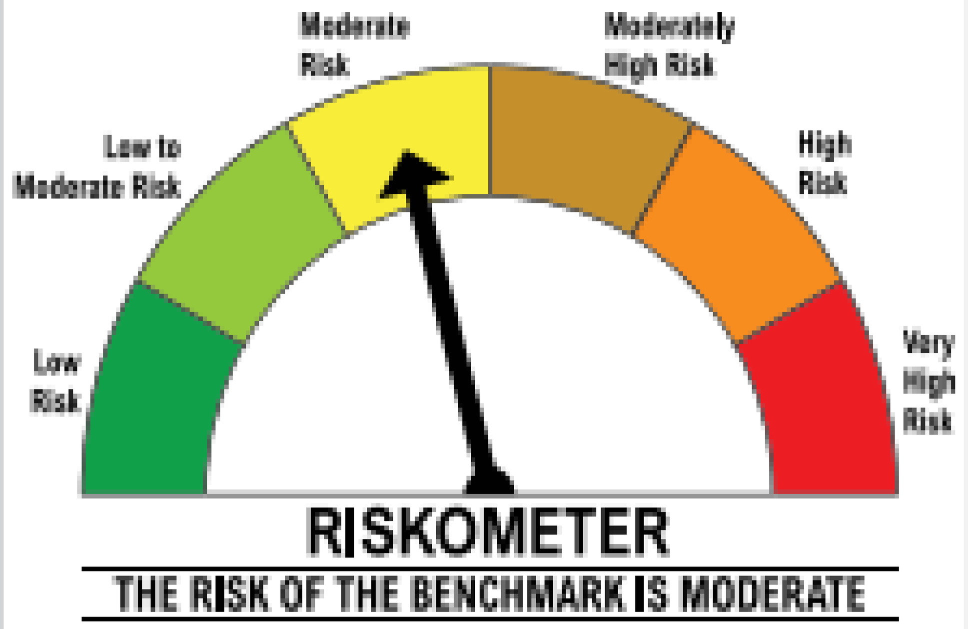
*Investors should consult their financial advisors if in doubt about whether the scheme is suitable for them.

Product labelling & Riskometer

Scheme	Product Suitability	Riskometer of Scheme	Name of Benchmark	Riskometer of Benchmark
DSP Savings Fund An open ended debt scheme investing in money market instruments. A relatively low interest rate risk and moderate credit risk.	This Product is suitable for investors who are seeking* • Income over a short-term investment horizon • Investment in money market instruments with maturity less than or equal to 1 year.		CRISIL Money Market A-I Index	
DSP Crisil 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 Product is suitable for investors who are seeking* • Income over long term • An open ended target maturity index fund that seeks to track the performance CRISIL SDL Plus G-Sec Apr 2033 50:50 Index, subject to tracking error.		CRISIL SDL Plus G-Sec Apr 2033 50:50 Index	
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. 40 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 Product 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	

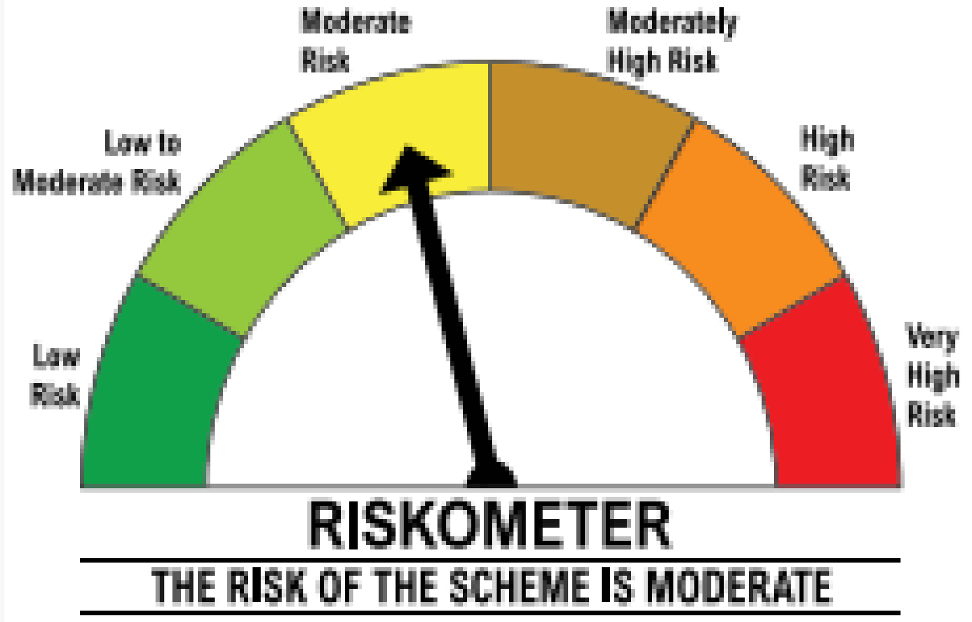
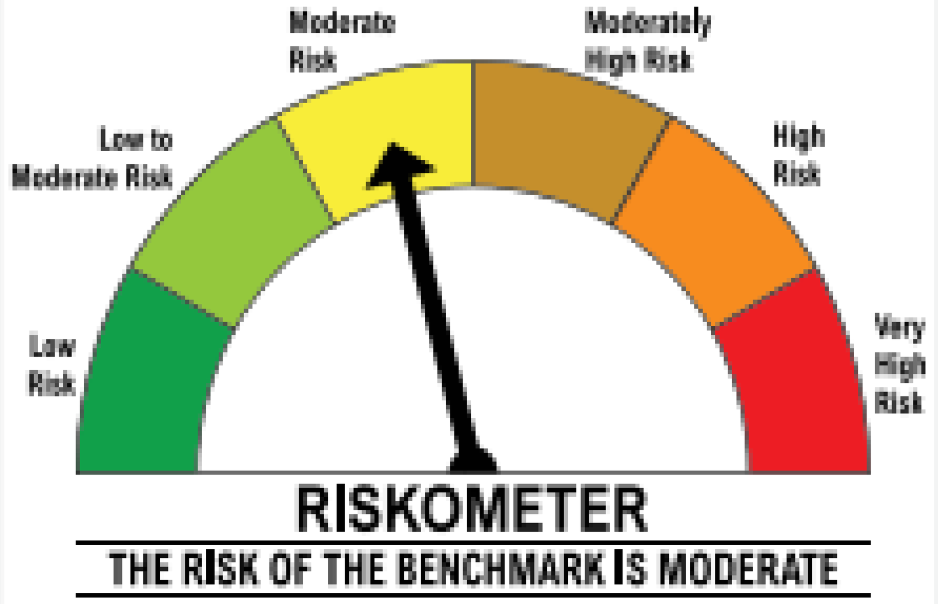
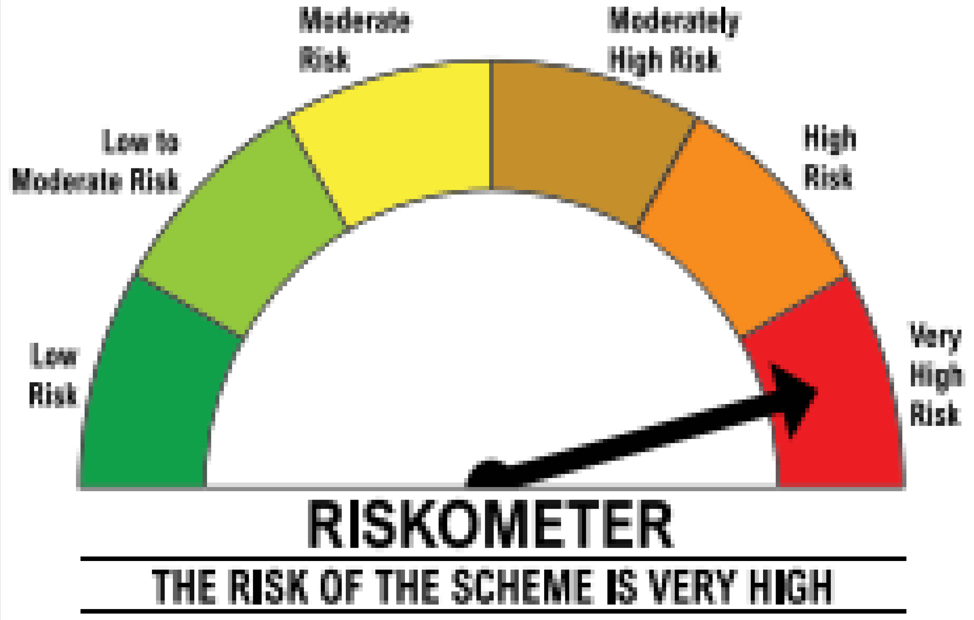
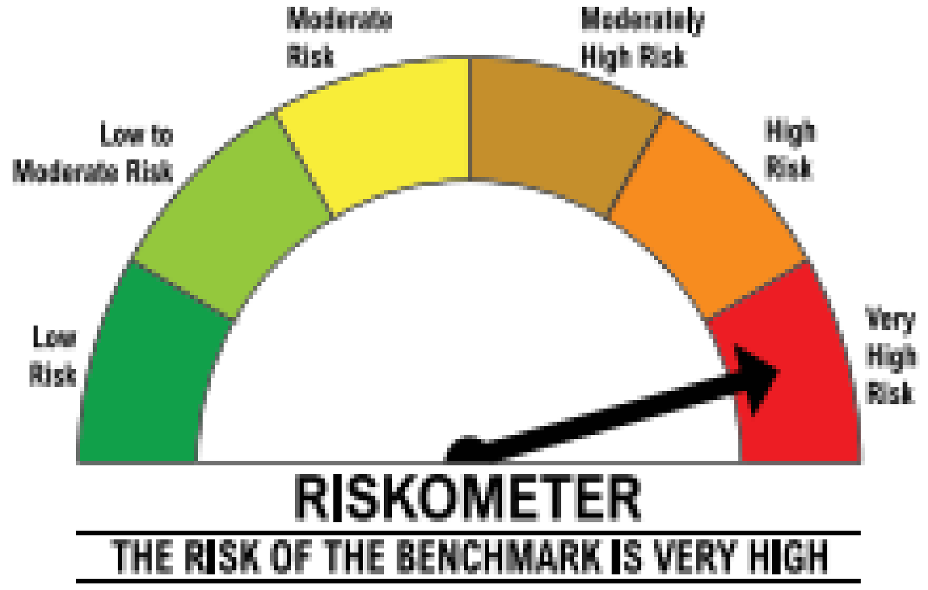
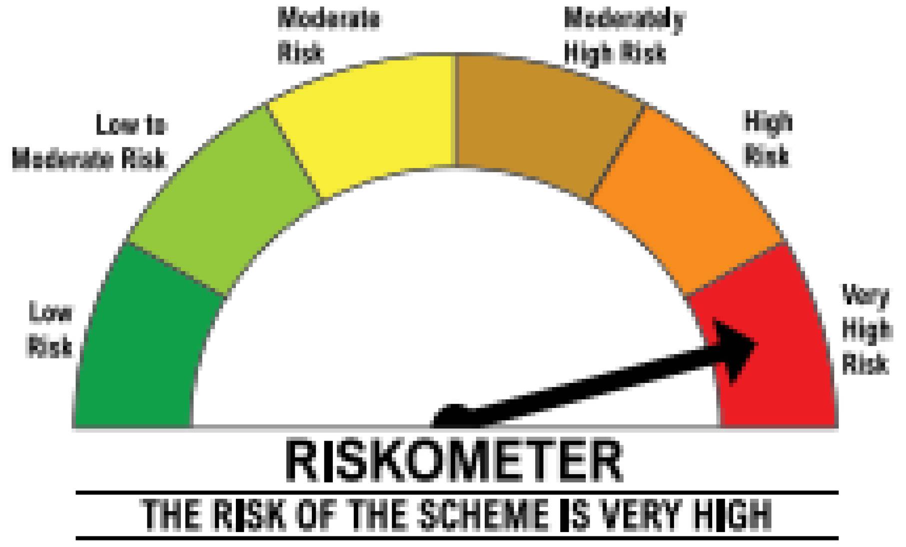
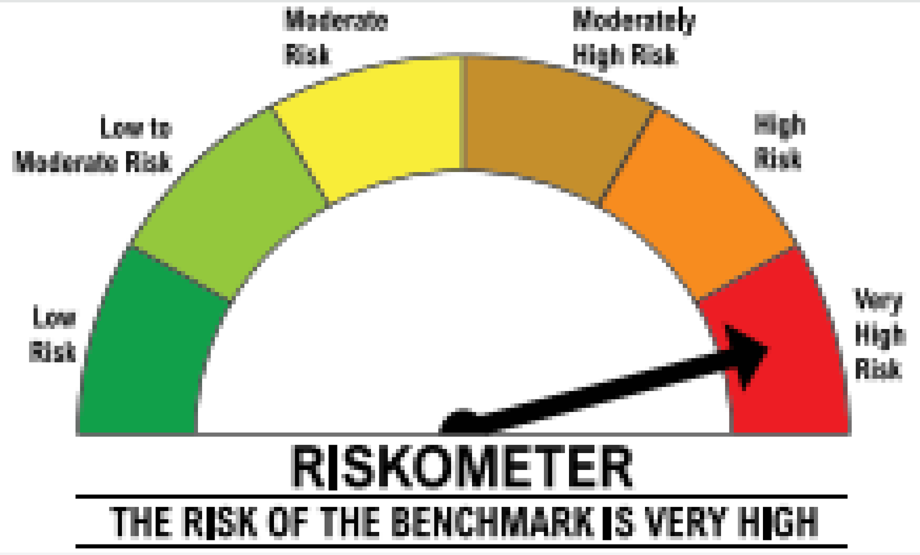
*Investors should consult their financial advisors if in doubt about whether the scheme is suitable for them.

Product labelling & Riskometer

Scheme	Product Suitability	Riskometer of Scheme	Name of Benchmark	Riskometer of Benchmark
DSP Strategic Bond Fund An open ended dynamic debt scheme investing across duration. A relatively high interest rate risk and moderate credit risk.	This Product is suitable for investors who are seeking* • Income over a medium to long term investment horizon • Investment in actively managed portfolio of money market and debt securities		CRISIL Dynamic Bond A-III Index	
DSP Quant Fund An Open ended equity Scheme investing based on a quant model theme Please refer to Notice cum addendum dated October 22, 2024 for change in fundamental attribute of scheme with effect from November 28, 2024.	This Product is suitable for investors who are seeking* • Long term capital growth • Investment in active portfolio of stocks screened, selected, weighed and rebalanced on the basis of a quant model		BSE 200 TRI	
DSP 10Y G-Sec Fund An 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 Product 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	

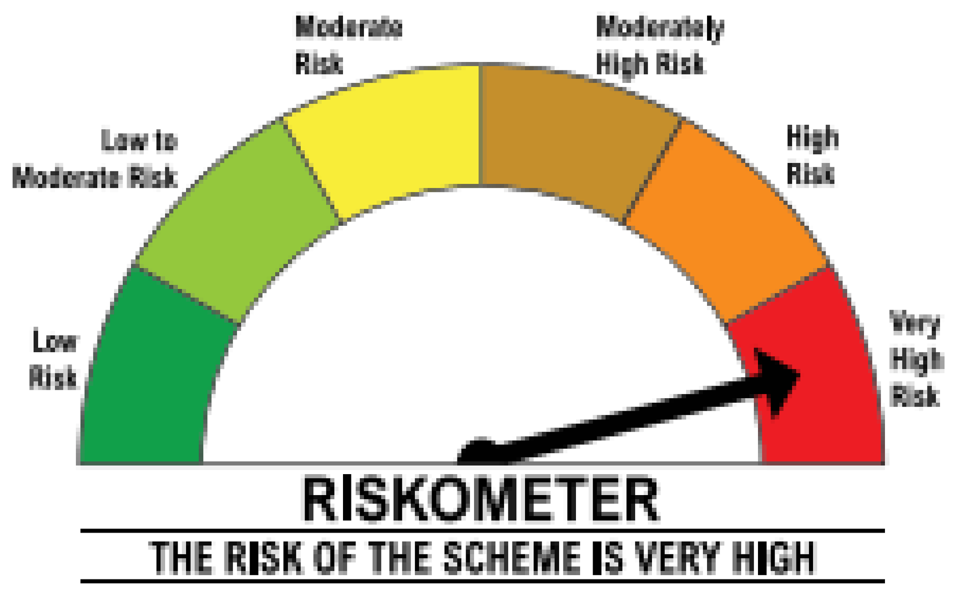
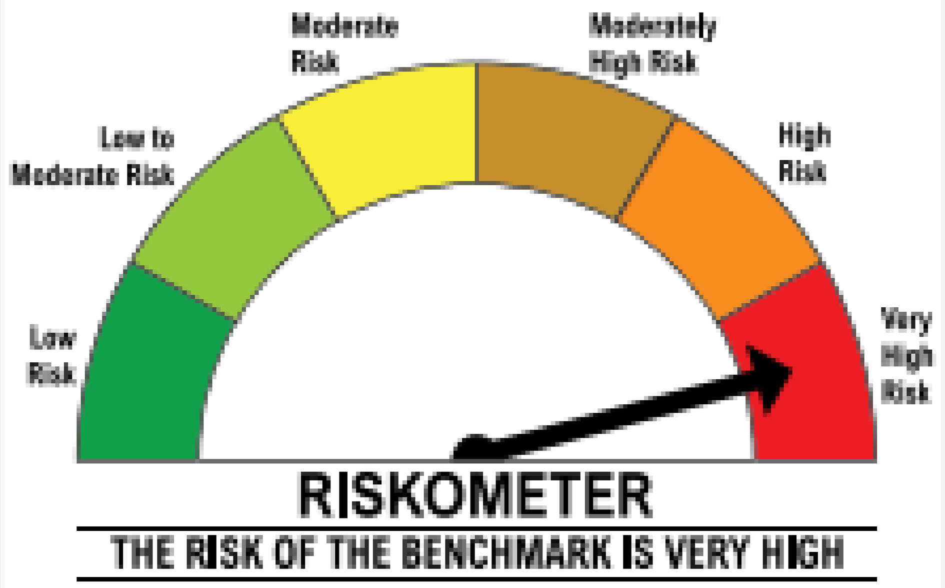
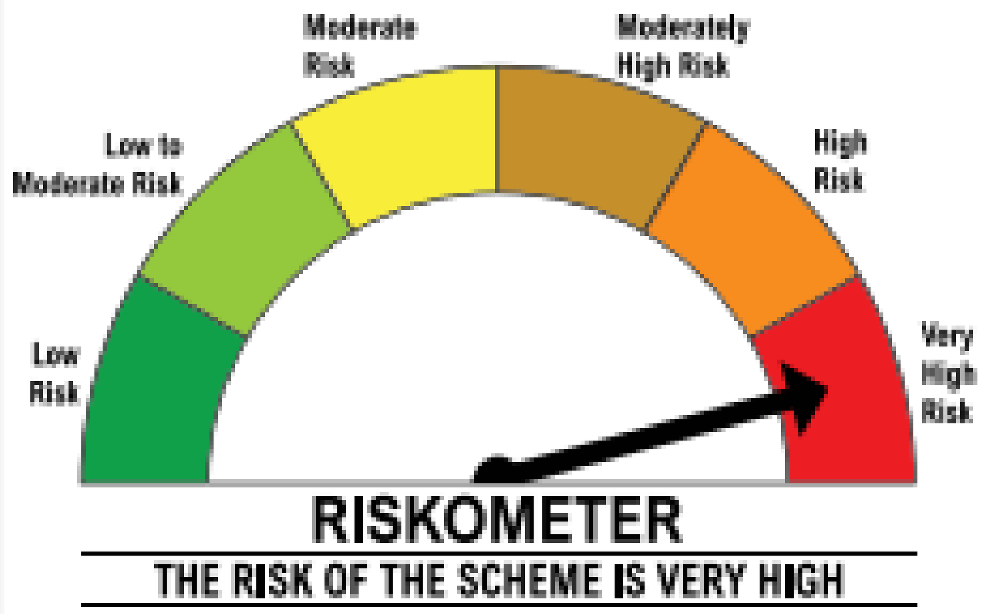
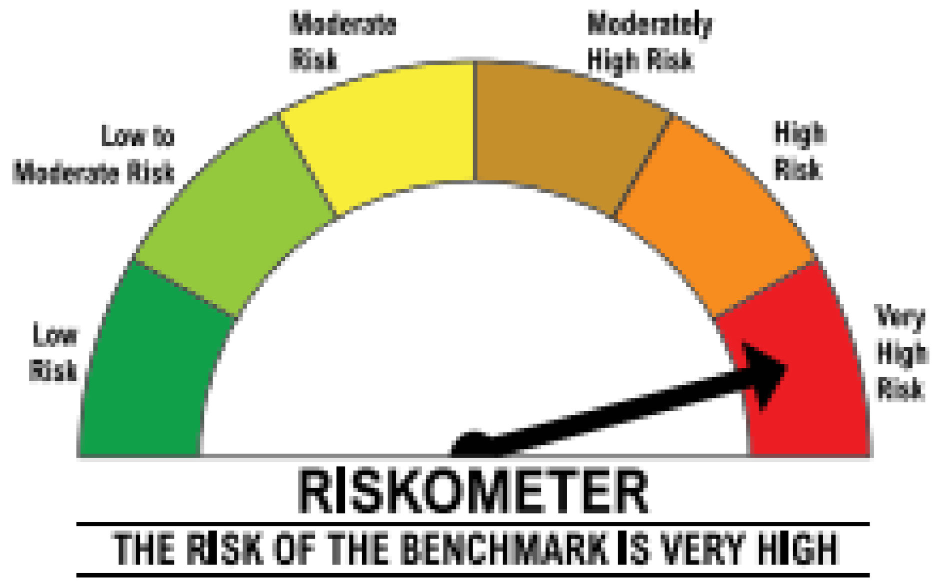
*Investors should consult their financial advisors if in doubt about whether the scheme is suitable for them.

Product labelling & Riskometer

Scheme	Product Suitability	Riskometer of Scheme	Name of Benchmark	Riskometer of Benchmark
DSP Equity Savings Fund An open ended scheme investing in equity, arbitrage and debt	This Product 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 TRI	
DSP Banking & Financial Services Fund An open ended equity scheme investing in banking and financial services sector	This Product is suitable for investors who are seeking* • Long-term capital growth • Investment in equity and equity related securities of banking and financial services companies		Nifty Financial Services TRI	
DSP Top 100 Equity Fund Large Cap Fund- An open ended equity scheme predominantly investing in large cap stocks	This Product is suitable for investors who are seeking* • Long-term capital growth • Investment in equity and equity-related securities predominantly of large cap companies		BSE 100 (TRI)	

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

Product labelling & Riskometer

Scheme	Product Suitability	Riskometer of Scheme	Name of Benchmark	Riskometer of Benchmark
DSP Silver ETF 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 Product is suitable for investors who are seeking* • Long-term capital growth • Investment in a multi asset allocation fund with investments across equity and equity related securities, debt and money market instruments, commodity ETFs, exchange traded commodity derivatives, overseas securities and other permitted instruments		40% NIFTY500 TRI + 20% NIFTY Composite Debt Index+ 15% Domestic Price of Physical Gold (bas ed on London Bullion Market Association (LBMA) gold daily spot fixing price) + 5% iCOMDEX Composite Index + 20% MSCI World Index	

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

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

DSP Strategic Bond Fund

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

DSP 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	-	-

Disclaimer

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All figures and other data given in this document for the fund and the model are as on 30th November 2024 (unless otherwise specified) and the same may or may not be relevant in future and the same should not be considered as solicitation/ recommendation/guarantee of future investments by the AMC or its affiliates. Investors are advised to consult their own legal, tax and financial advisors to determine possible tax, legal and other financial implication or consequence of subscribing to the units of DSP Mutual Fund. The investment approach / framework/ strategy / portfolio / other data mentioned herein are dated and currently followed by the scheme and the same may change in future depending on market conditions and other factors. The sector(s)/stock(s)/issuer(s) mentioned in this document do not constitute any recommendation of the same and the Fund may or may not have any future position in these sector(s)/stock(s)/issuer(s). Investors should note that they will be bearing the recurring expenses of the scheme, in addition to the expenses of other schemes in which the Fund of Funds Scheme makes investments.

Past performance may or may not be sustained in future and should not be used as a basis for comparison with other investments. There is no assurance of any returns/capital protection/capital guarantee to the investors in this scheme of DSP Mutual Fund. There is no assurance of any returns/capital protection/capital guarantee to the investors in this scheme of DSP Mutual Fund. Large caps are defined as top 100 stocks on market capitalization, mid caps as 101 250 small caps as 251 and above. For index disclaimer, Click here

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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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