DSP

THE NAVIGATOR

What do I do with my money?

June 2024

Navigating today: What Are We Saying?

1. Equity markets continue to scale new highs and trade at rich valuations. Small & Midcap stocks continue to trade at expensive valuations, which is a sign of caution. Nifty 100 Index is trading at 22x twelve-month forward earnings, Nifty Midcap 150 is at 32x, Nifty Smallcap 250 Index is at 24x twelve-month forward earnings. On trailing basis, most indices are at more than 90% percentile of their valuation history. For instance, BSE Smallcap index, which has 998 constituents' trades at 36x trailing earnings and 3.76 times Price to book. This leaves little margin of safety. Investors are advised to exercise caution in allocating large sums of equity investments to overpriced parts of the market. Using SIP route for staggered investments and focusing on more attractive parts of markets like Banking & Financial services, Healthcare, Auto 2-Wheelers, Auto Ancillary and a few bottoms up opportunities in Consumer Staples could offer better entry valuations.

2. Inflation, Govt Security demand & supply picture, balance of payment and sluggish nominal growth continue to favor tactical bet for long duration for fixed income. Investors should keep in mind that fixed income markets are an important part of asset allocation at this time, focusing partly on long duration, as per one's risk appetite.

3. Alternate exposure to precious metals has been a source of diversification with suitable benefits. Investors could gain better risk-reward exposure by keeping them in the mix or by opting to add exposure to such multi-asset allocation strategies which favour appropriate allocation to precious metals like Gold & Silver.

4. Volatility readings across the world and especially in smaller capitalization equities in India points to an 'unsettling calm'. Investors, with the advantage of low volatility and handsome gains from recent price moves, should reconsider and reassess their portfolio allocation and stance. This is the right time.

Source: Bloomberg. Data as on 20th June 2024

Disclaimer: The sector(s)/stock(s)/issuer(s) mentioned in this document do not constitute any recommendation of the same and the Fund may or may not have any future position in these sector(s)/stock(s)/issuer(s). The investment approach / framework/ strategy mentioned herein is currently followed by the scheme(s) and the same may change in future depending on market conditions and other factors. 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 any of the schemes of DSP Mutual Fund.

India’s Calculated Growth Story

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Navigating the Bigger Picture

India is currently walking a tightrope in its pursuit of economic growth. On the one hand, the government is prioritizing consolidation, focusing on strengthening the fundamentals of the economy before pushing for a significant acceleration.

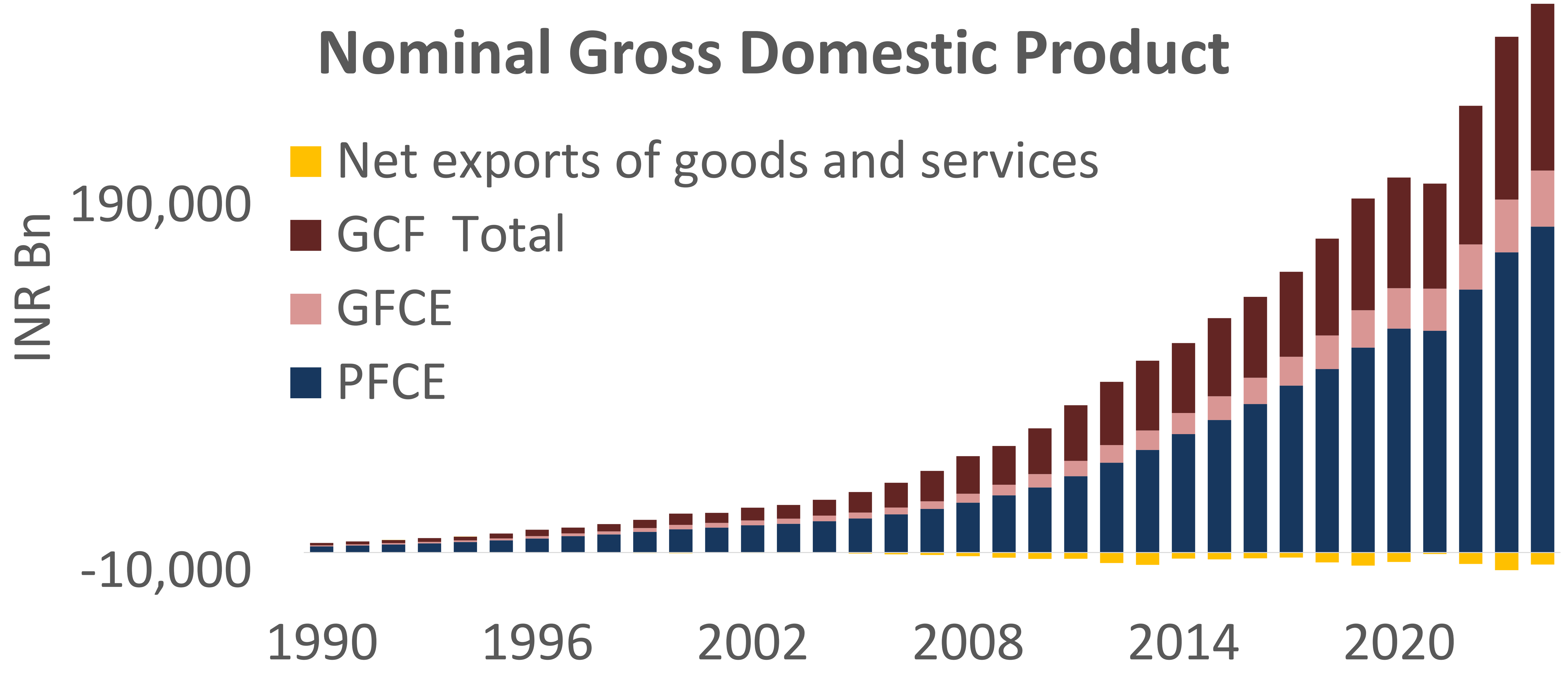
However, this consolidation effort is happening under the shadow of high real interest rates. These high rates, while intended to control inflation and stabilize the currency, also make borrowing more expensive. This discourages domestic consumption.

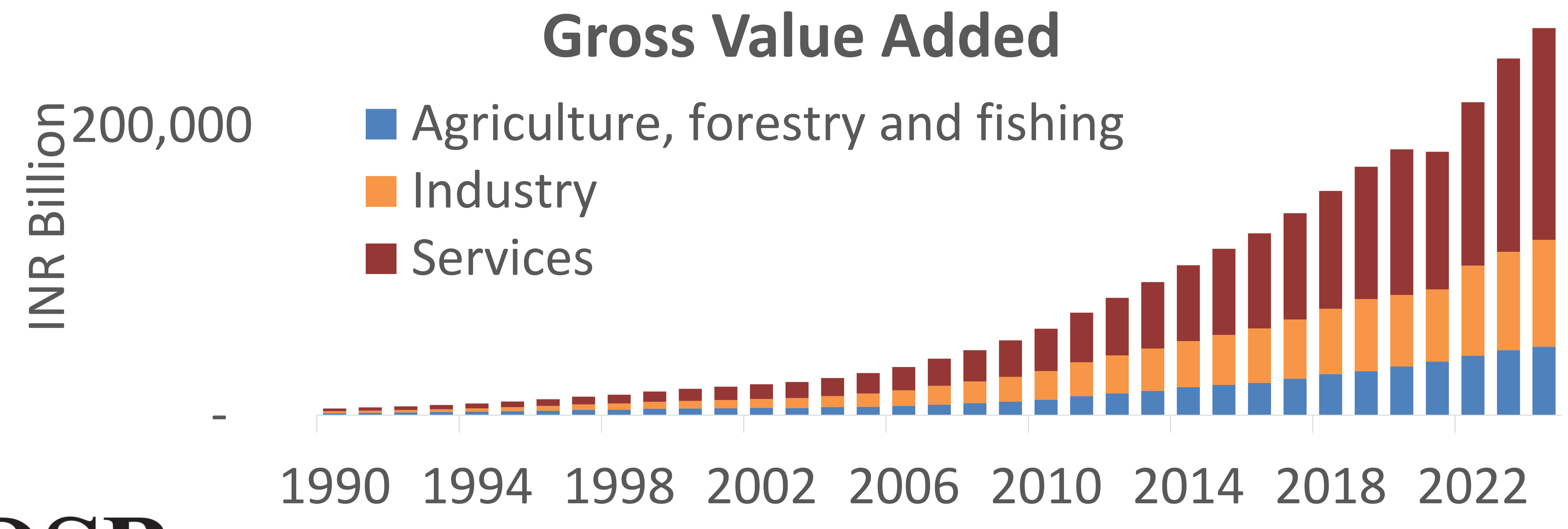
Despite the dampening effect on consumption, the government is still aiming to stimulate investment. The goal is to channel funds into productive sectors that will drive future growth.

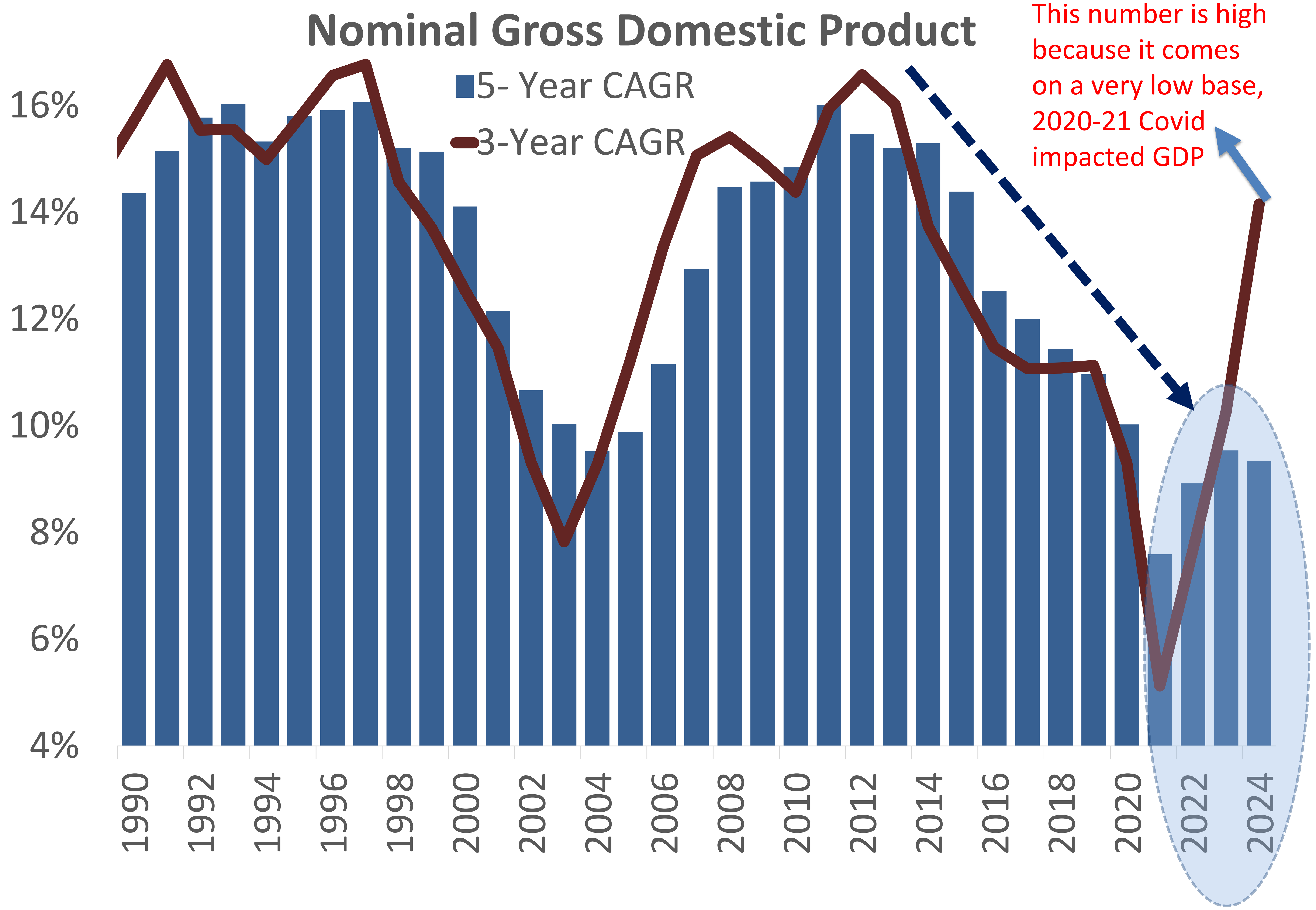
Maintaining a stable currency is another crucial aspect of this strategy.

While The World Wobbles, India's Growth Remains Steady, Nearly

Undoubtedly, we have come a long way, standing close to a staggering $3.65 Trillion. However, one might question whether this journey has merely been a result of our prolonged presence in the game, or if we have made any substantial progress. The impressive growth numbers during the 'Golden Era' were bolstered by global tailwinds. Yet, in the present scenario, as the rest of the world faces a downturn, we too are experiencing a decline, albeit not as severe







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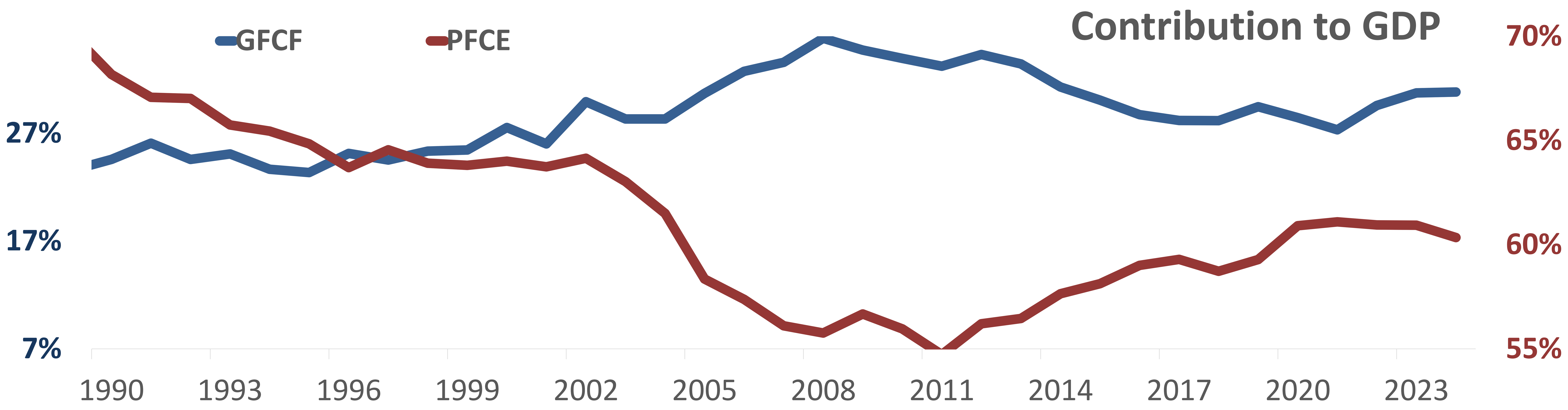
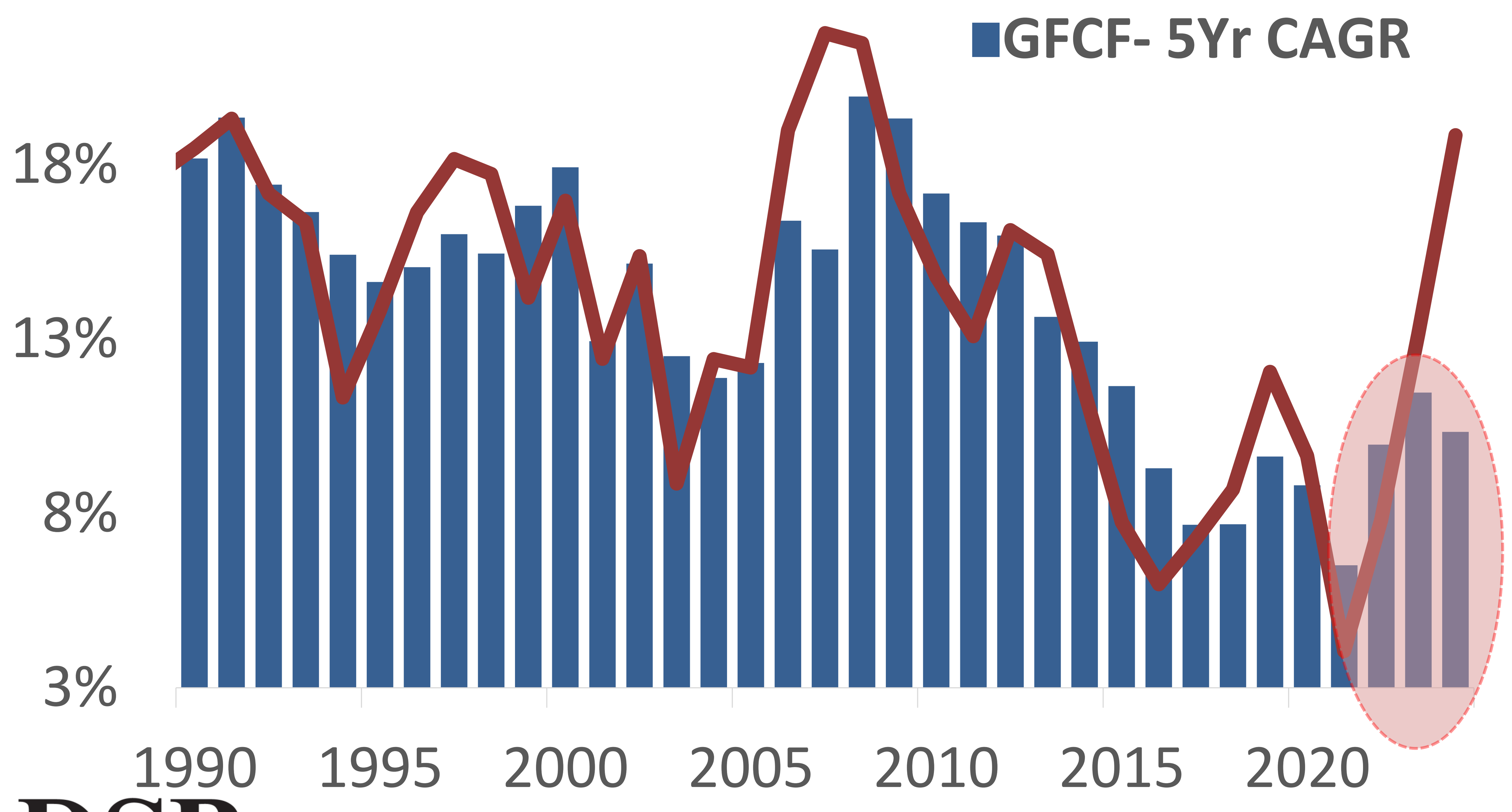
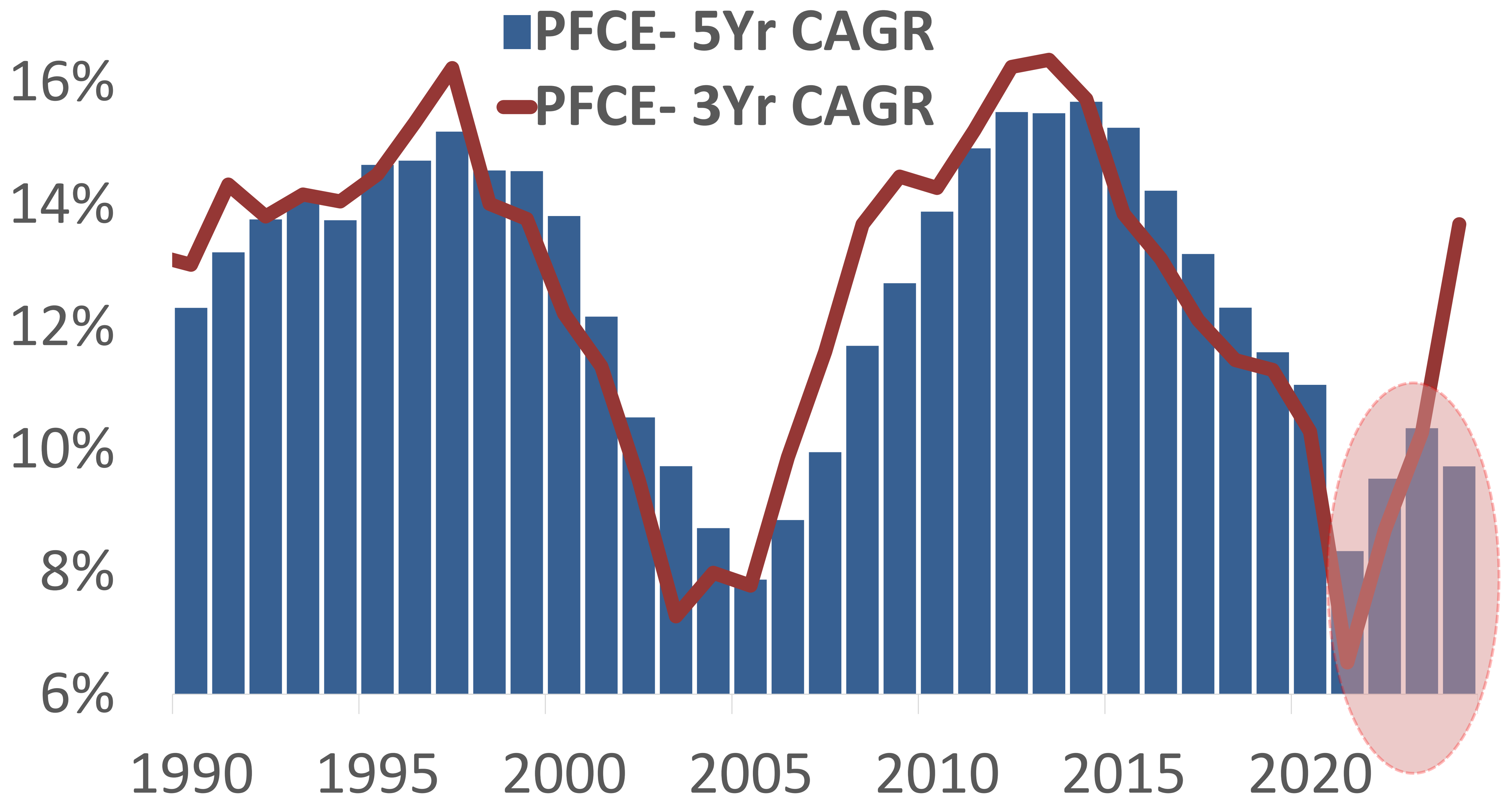
Source: CMIE. Data as on 31 May 2024. All charts are dated as Financial Year

GCF: Gross Capital Formation, GFCE: Government Final Consumption Expenditure, PFCE: Private Final Consumption Expenditure, CAGR: Compounded Annual Growth Rate

Consumption-led Cycle vs Investment-led Cycle







In the early 2000s, PFCE's contribution to GDP declined significantly. This was partly due to economic challenges and policy adjustments. Over the subsequent decade, there was a recovery, but it didn't fully restore PFCE's share in GDP.

Previously, a crisis deliberated a sacrifice in consumption. However, the current push towards an investment-led growth model, seemingly at the expense of consumption, is a strategic choice.

High real interest rates further dampen already weak demand, especially with a slowdown in global markets. The key question remains: can India sustain investment-led growth without a robust domestic consumption recovery?

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Source: CMIE. Data as on 31 May 2024. All charts are dated as Financial Year

PFCE: Private Final Consumption Expenditure, GFCF: Gross Fixed Capital Formation, GDP: Gross Domestic Product, CAGR: Compounded Annual Growth Rate

Missing the Middle

Economist Walt Rostow theorized that developing nations progress through distinct stages: a traditional agrarian society, a period of industrialization with a focus on manufacturing, and finally, a mature economy driven by the service sector.

India has tried, either by design or otherwise, to jump from agrarian to Services based economy, potentially bypassing a dedicated phase of heavy industrialization.

This leapfrog approach, however, comes with its own set of challenges. Manufacturing and construction have traditionally been the sectors that create large-scale employment opportunities for unskilled and semi-skilled labor outside of agriculture. India's struggle to develop a strong manufacturing sector has resulted in an employment mismatch.

While India's service-led growth has been impressive, its long-term sustainability remains a question. It's important to note that developed nations, even without a focus on heavy industry early on, eventually transitioned to service-driven economies. However, their success likely stemmed from a strong foundation built through some level of industrialization before this shift. India, lacking that foundation, might face unique challenges in establishing a dominant service sector.

Recognizing the potential drawbacks of bypassing manufacturing, Indian policymakers are currently focused on developing a vibrant manufacturing sector. This aligns with the traditional Rostowian model and addresses the employment concerns.

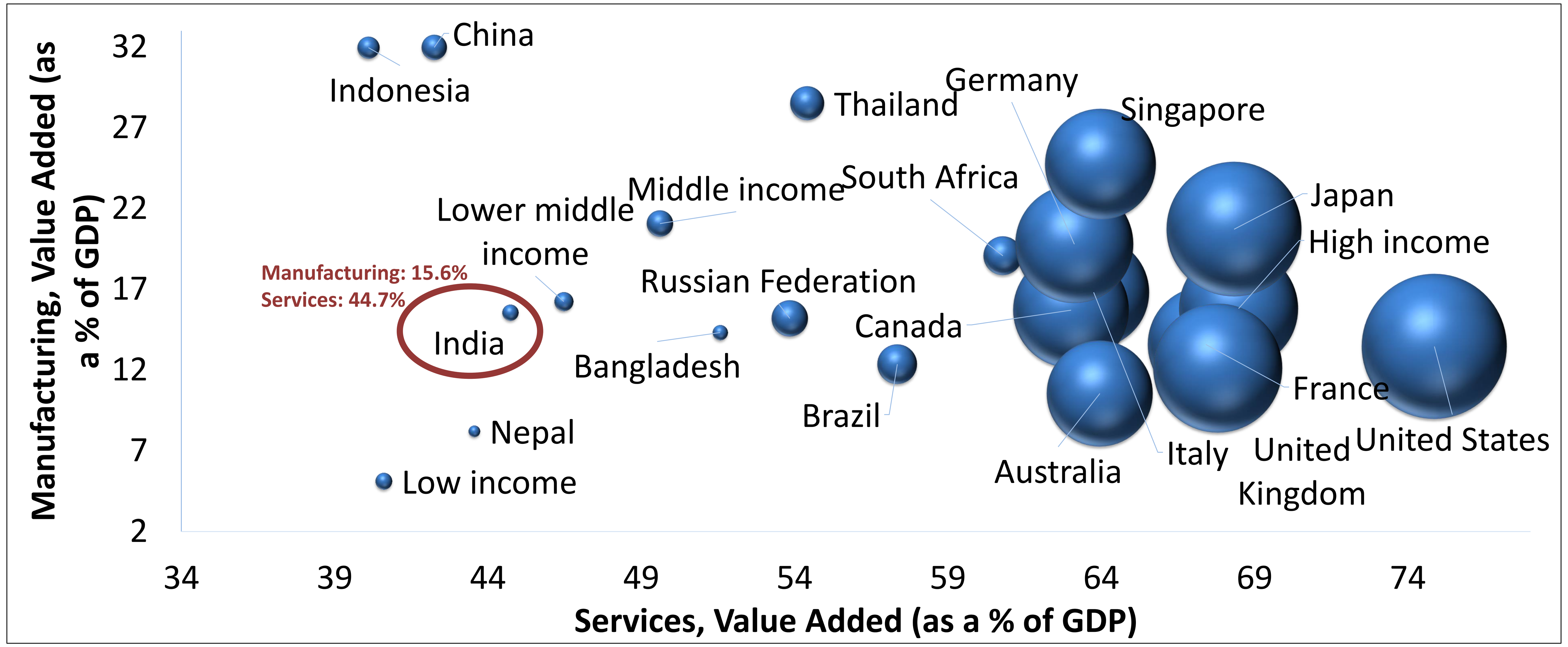
The rapid rise of the service sector offers exciting prospects, but the lack of a strong manufacturing base creates challenges, particularly concerning employment. The key question remains: Can India forge a new path to development, or is investment in manufacturing crucial for its long-term success?

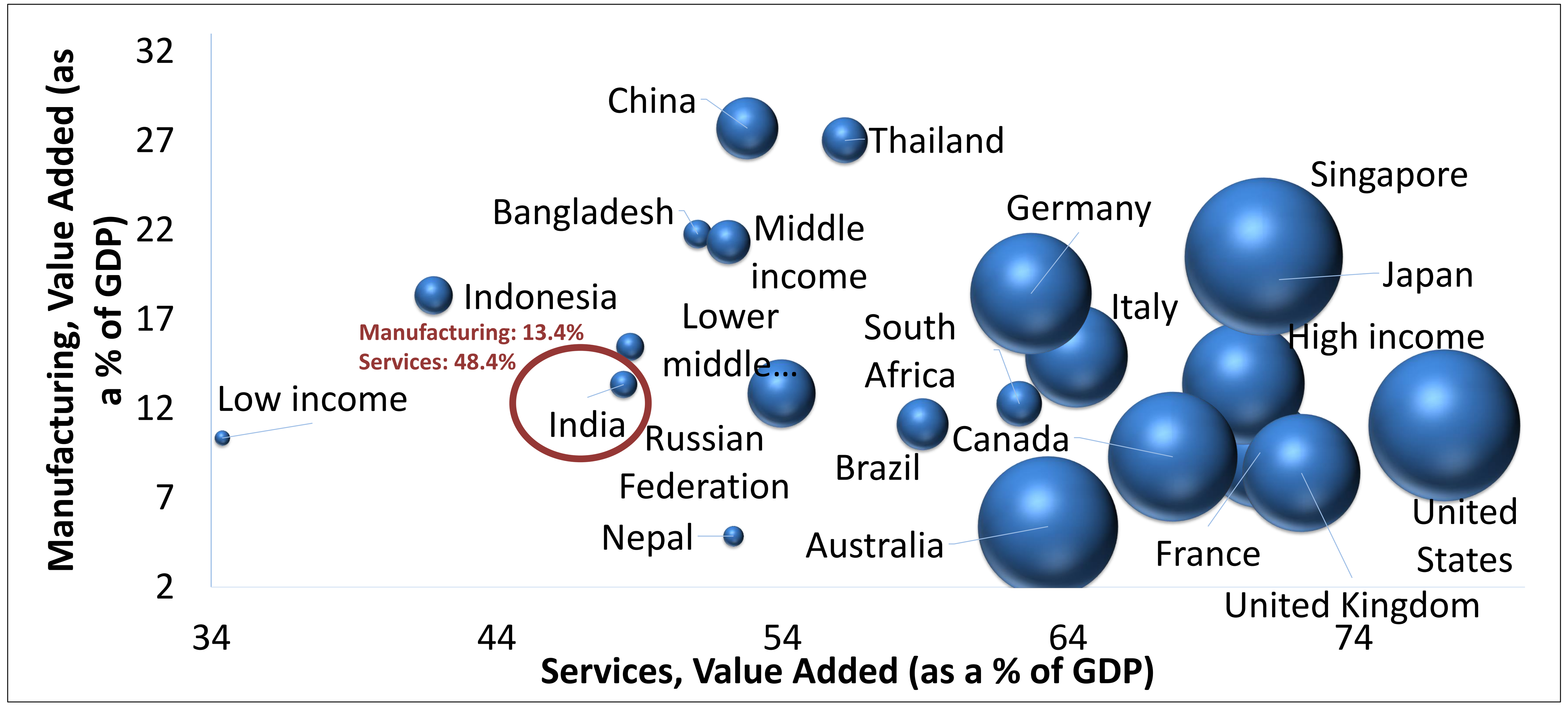
Size of the Bubble: GDP Per Capita

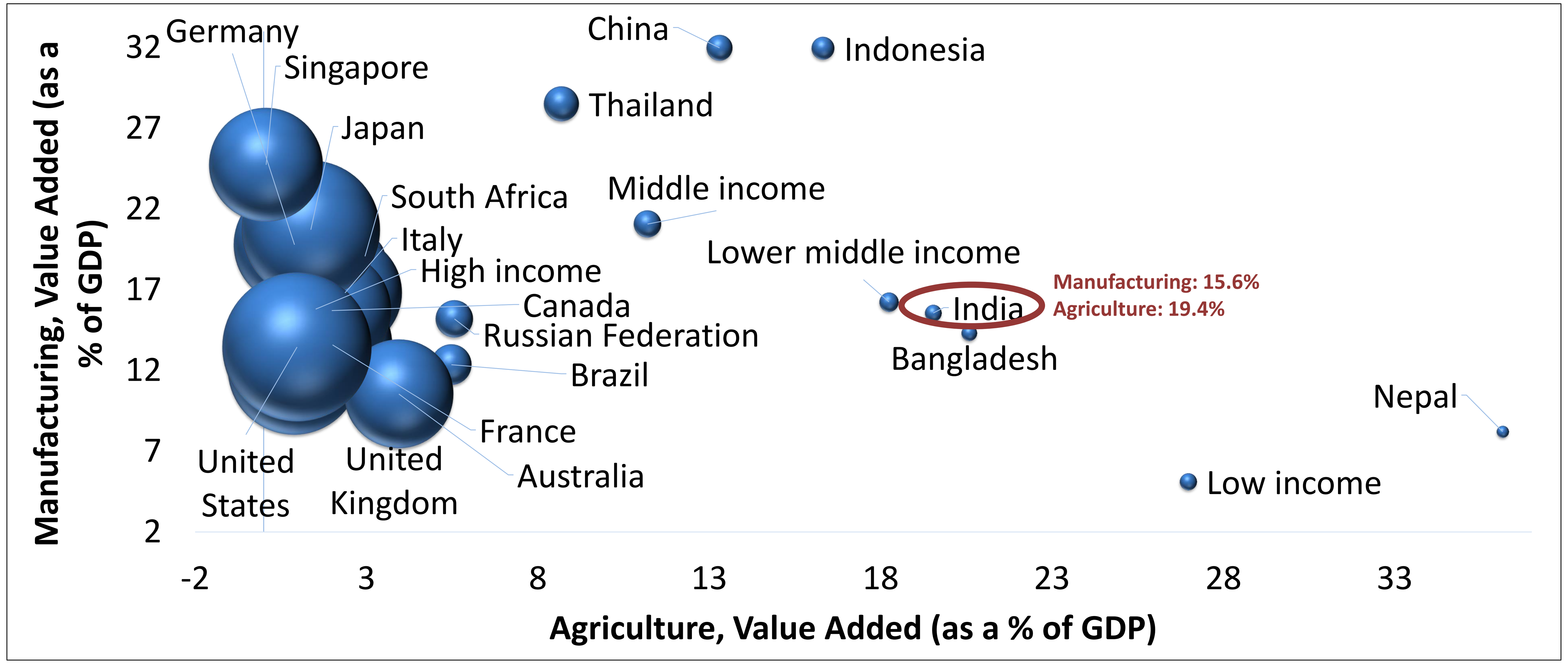
Indian Economy has Skipped from Agri to Services, bypassing Manufacturing

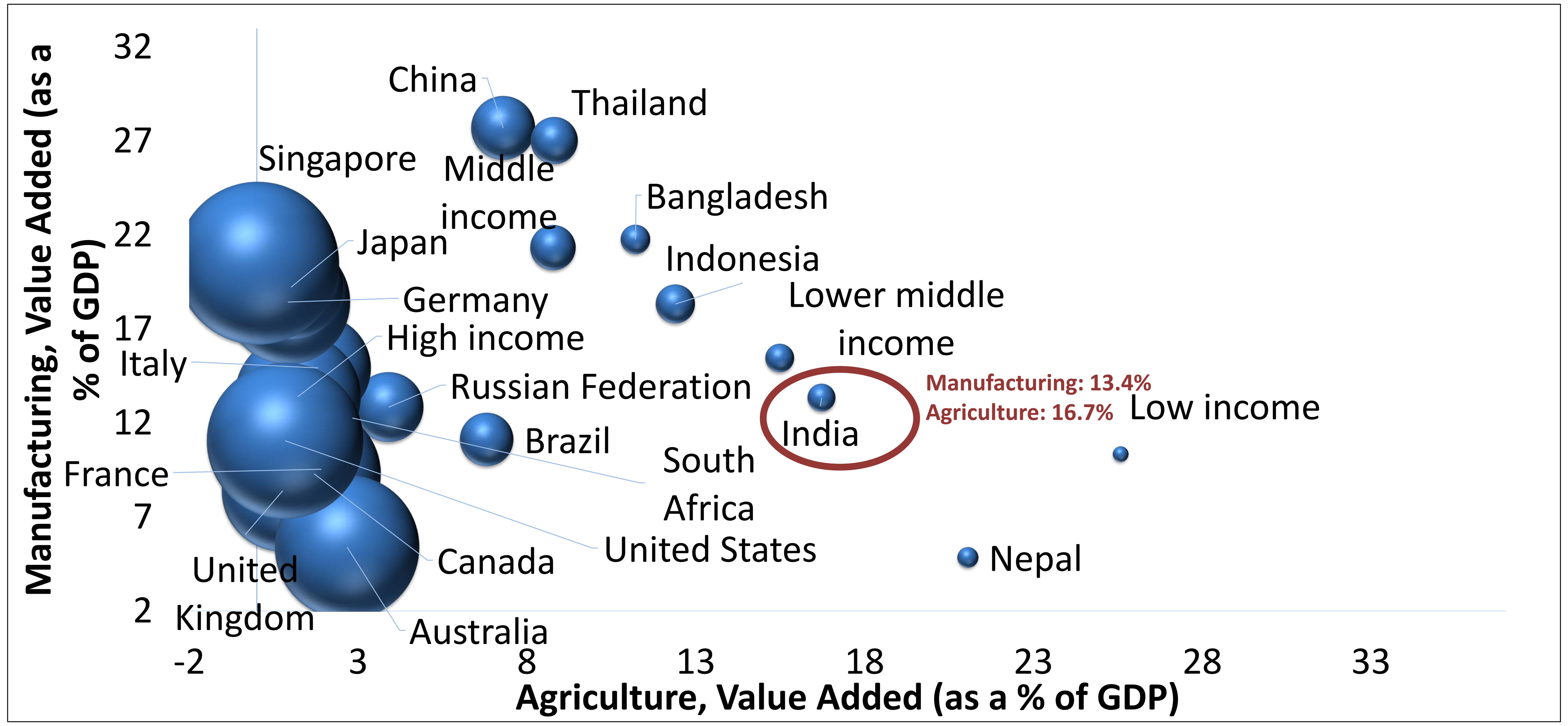
20 Years Ago

Current



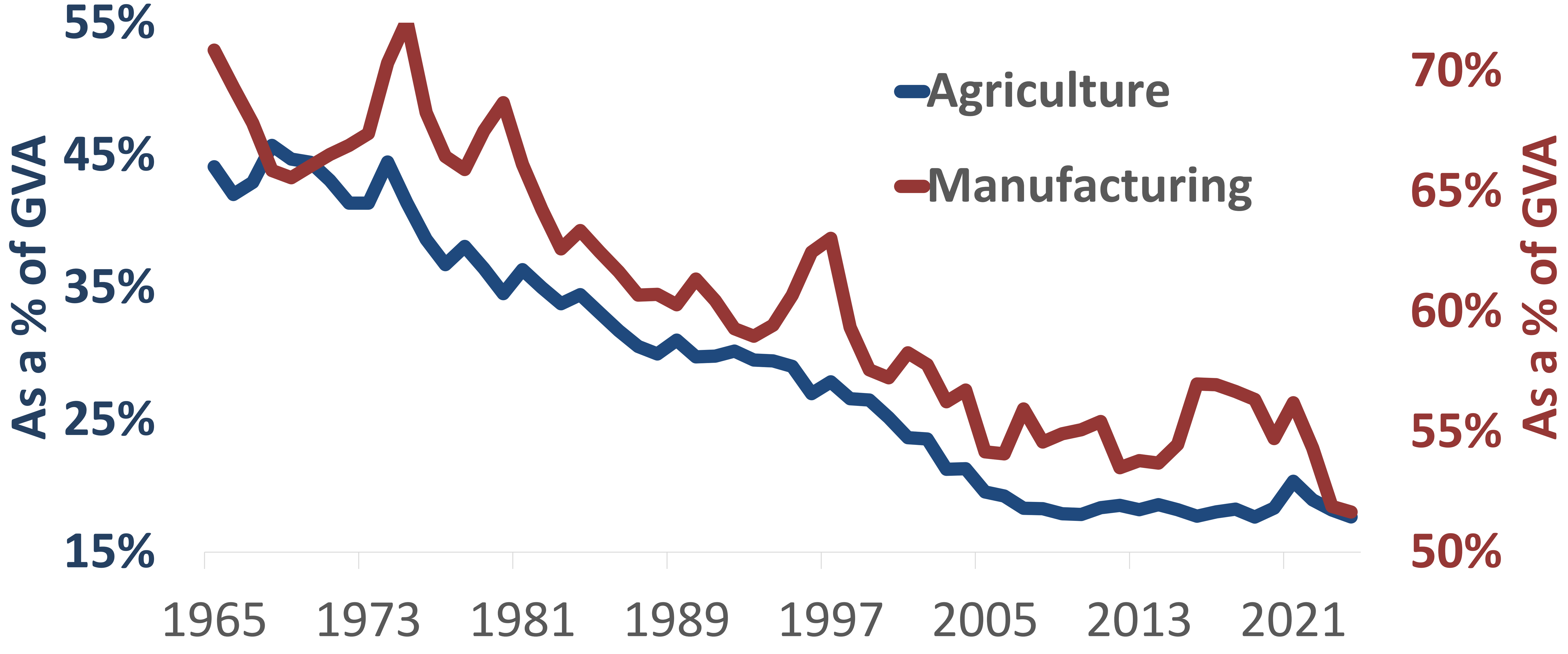


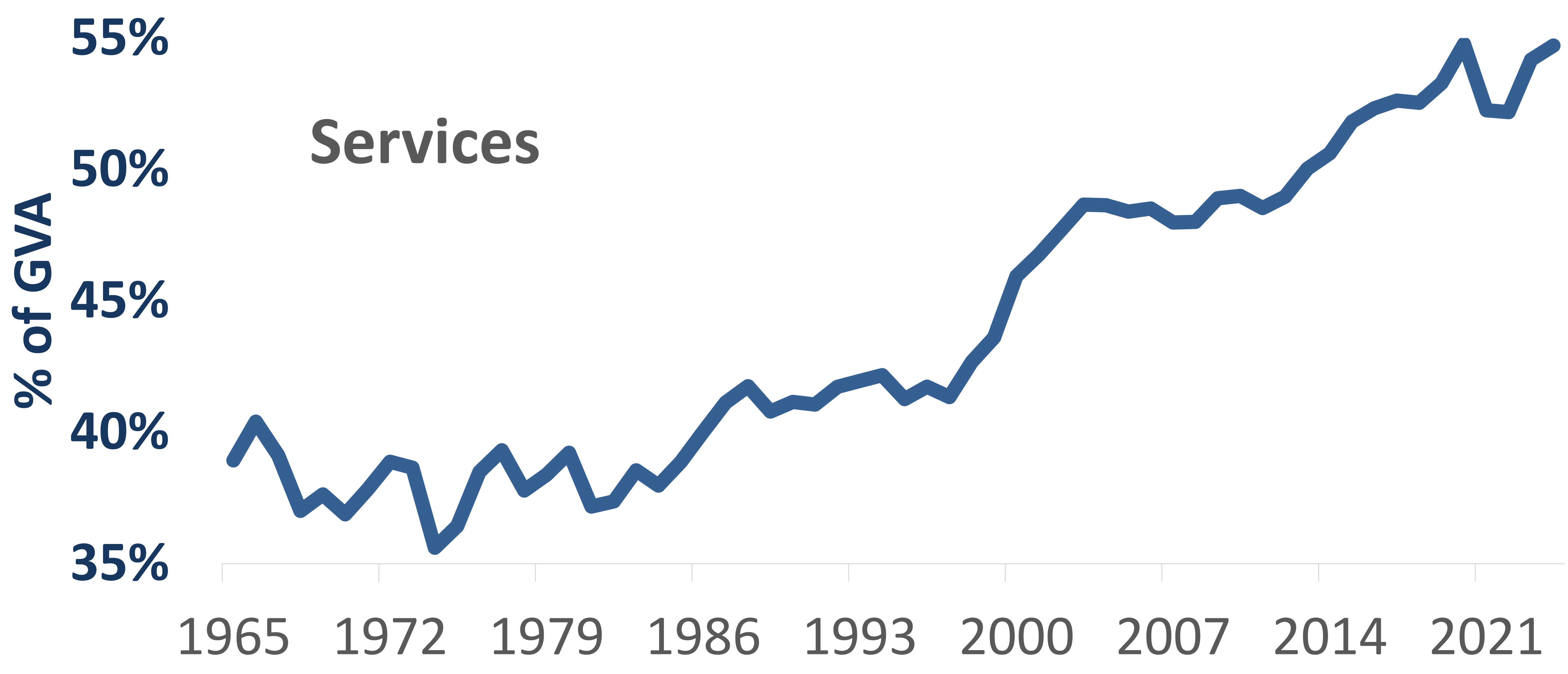


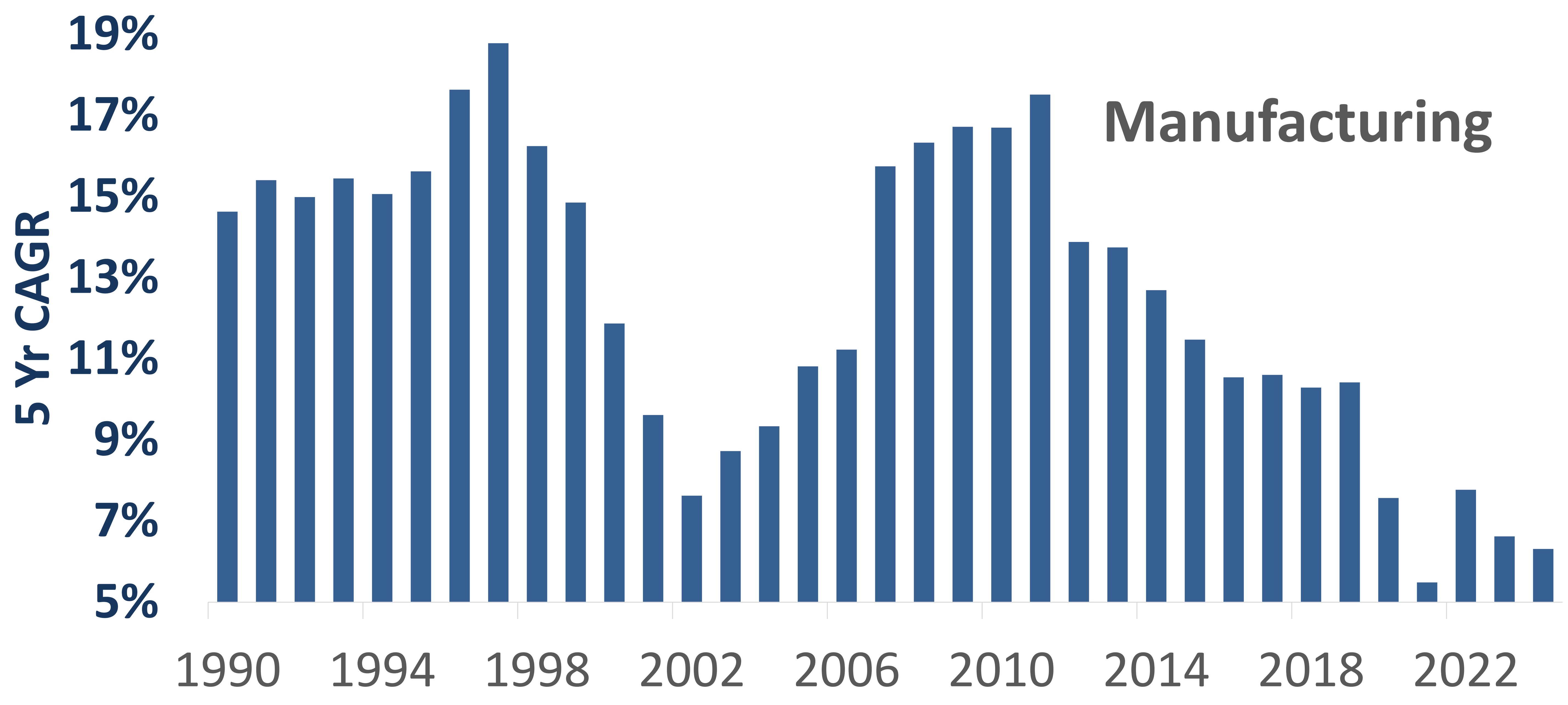


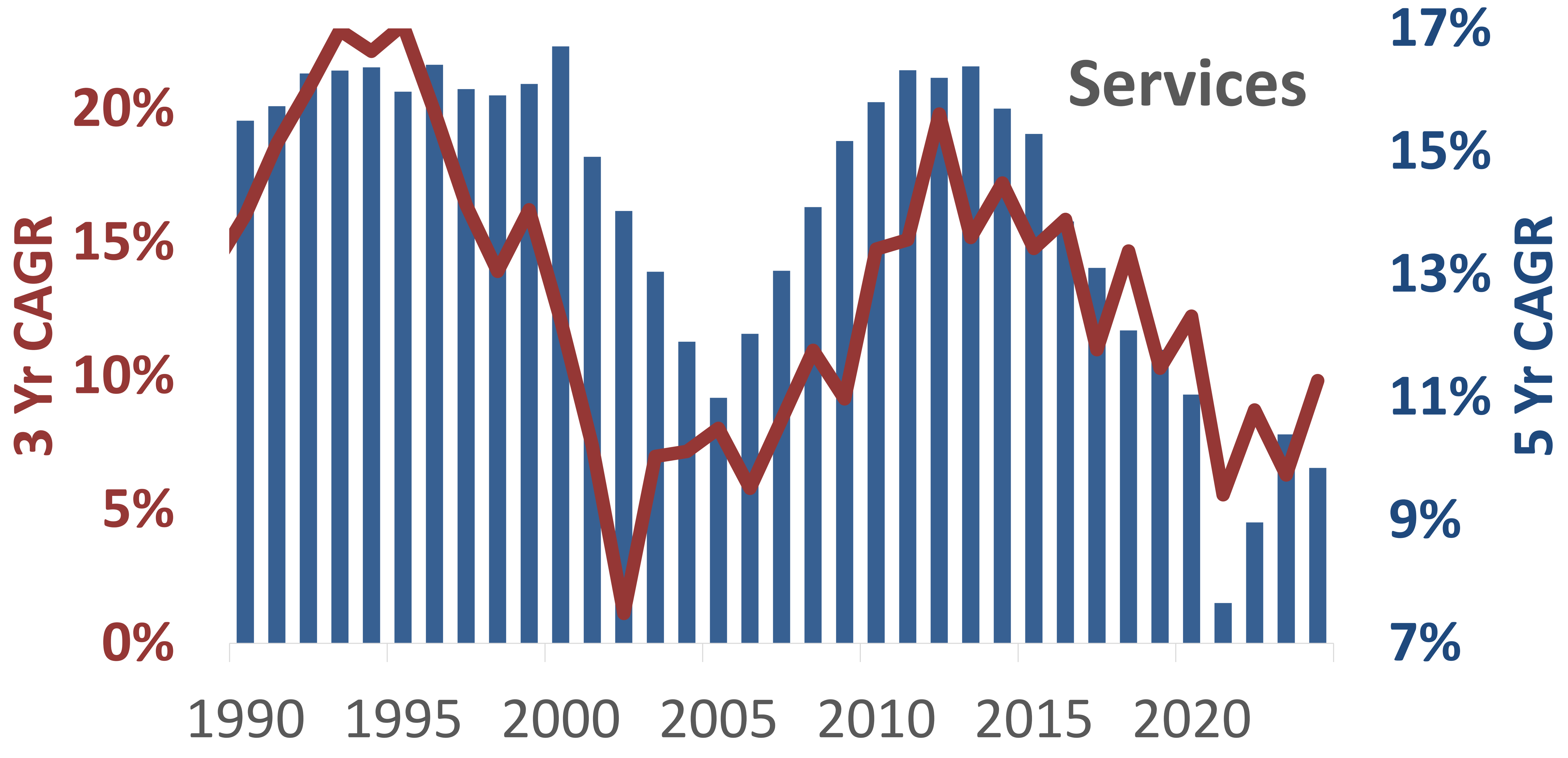
Source: World Development Indicators. Data as on 31 May 2024. GDP: Gross Domestic Product

Service Surge at the Cost of Manufacturing



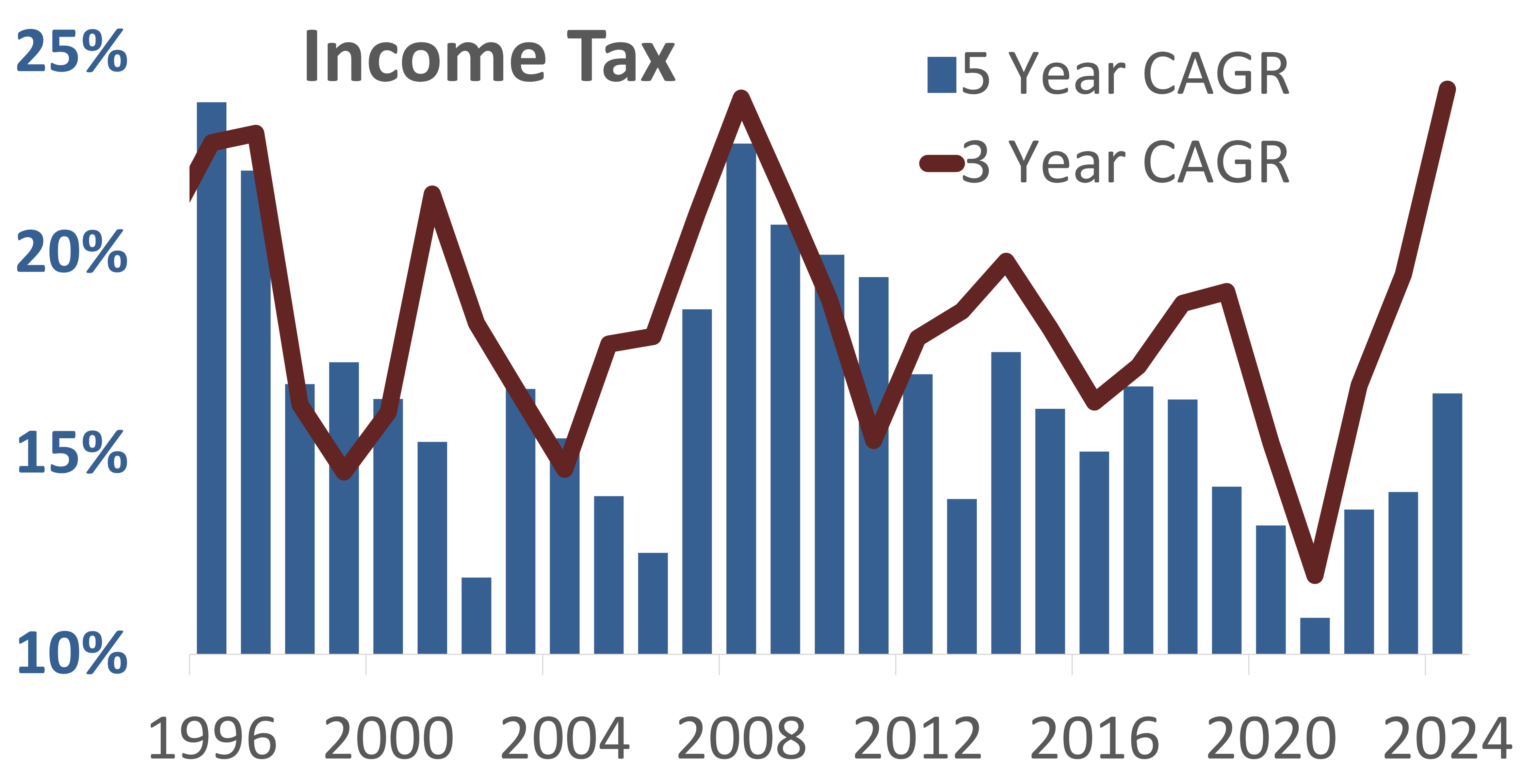


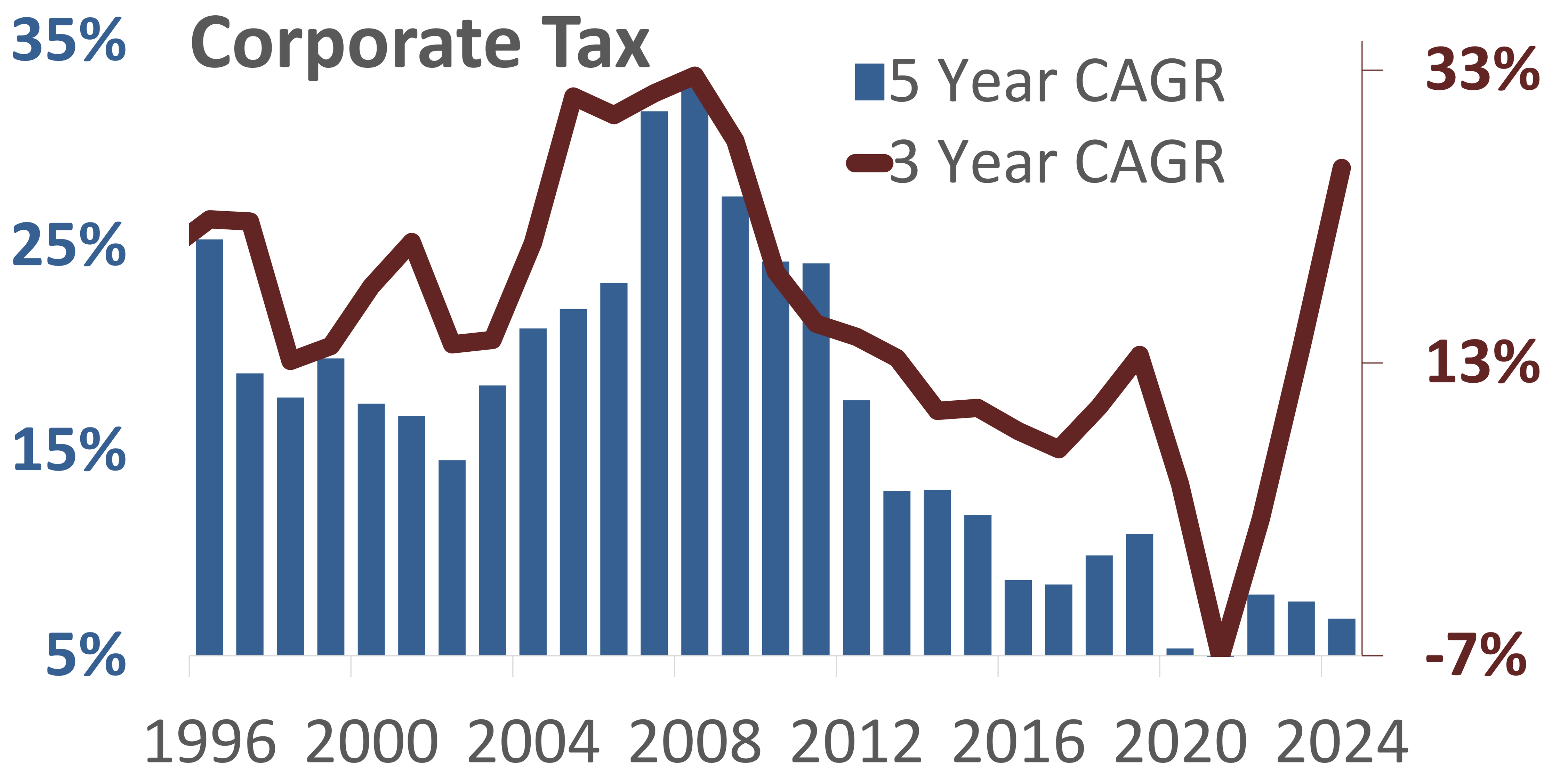


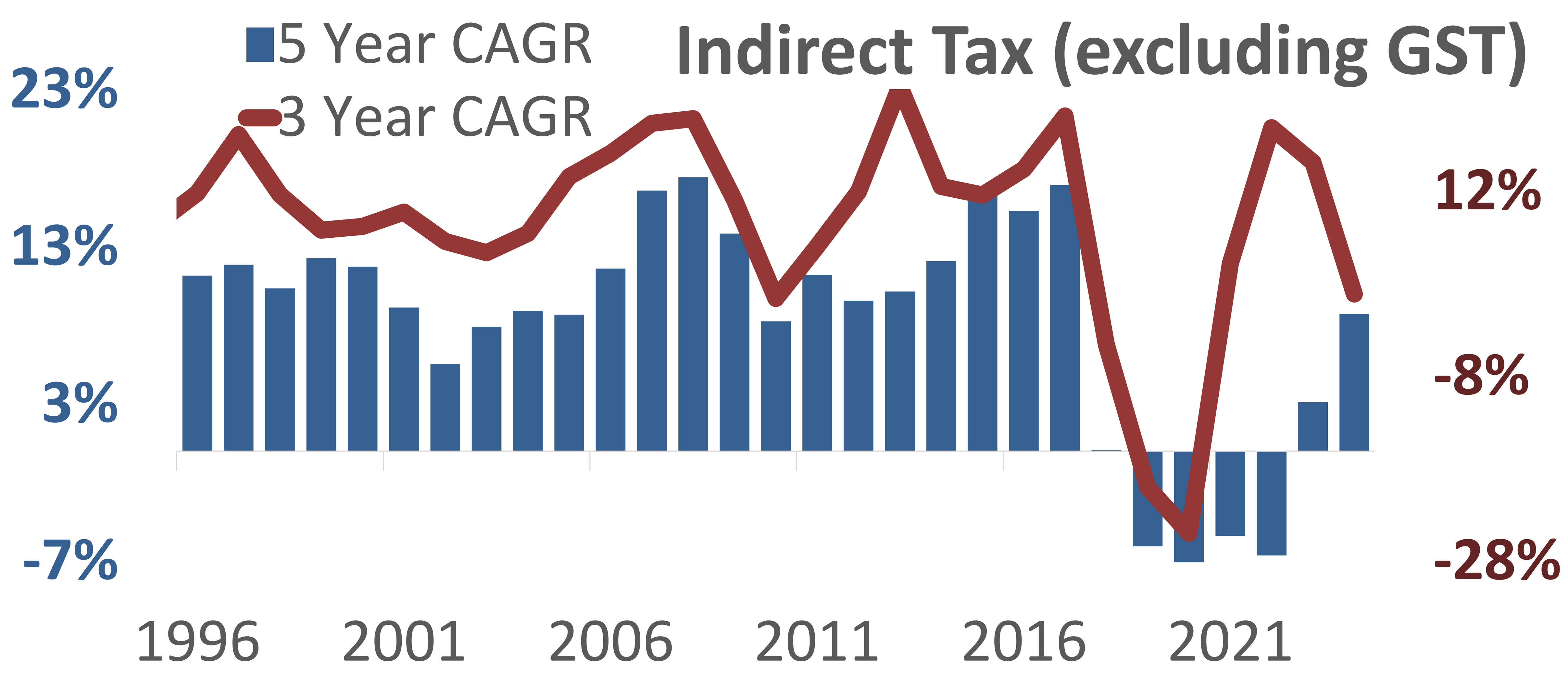


Source: CMIE. Data as on 31 May 2024. All charts are dated as Financial Year. CAGR: Compounded Annual Growth Rate, GVA: Gross Value Added

Govt. Tax Revenues Have Recovered...







As a % of GDP	FY15-FY19 (Avg)	FY24
Corporate Tax	3.3%	3.1%
Income Tax	2.3%	3.4%
Indirect Taxes	5.2%	5.1%

While GST didn't drastically alter the overall tax-revenue structure, it did streamline the system by consolidating various miscellaneous taxes previously levied alongside income tax.

However, the COVID-19 pandemic's onset roughly coincided with GST implementation, making it difficult to accurately assess its full potential. Despite this challenge, tax revenue did manage a smooth recovery from its Covid low point. This positive trend could be attributed to the streamlined nature of the single GST policy.

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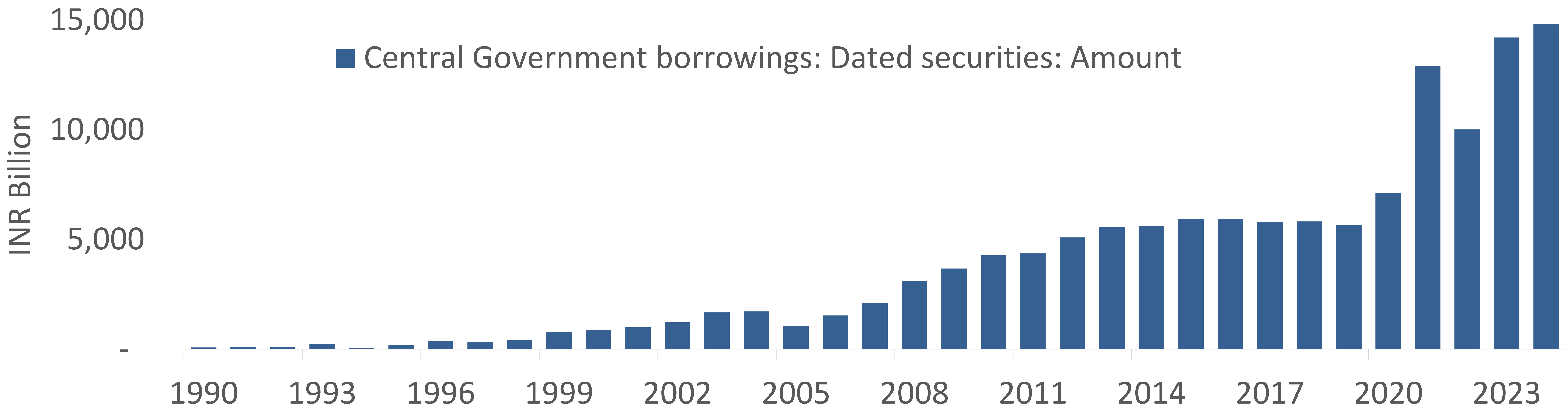
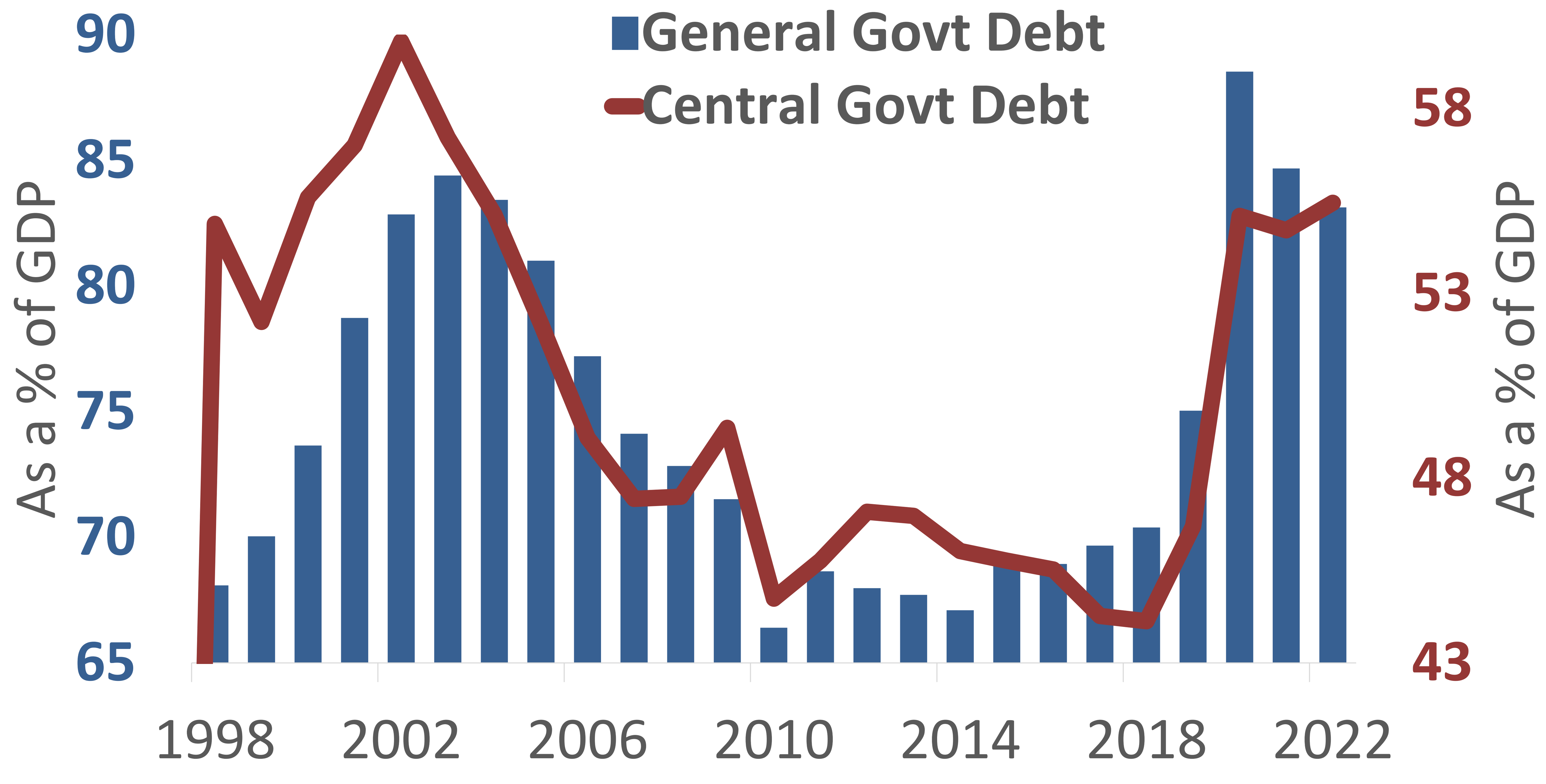
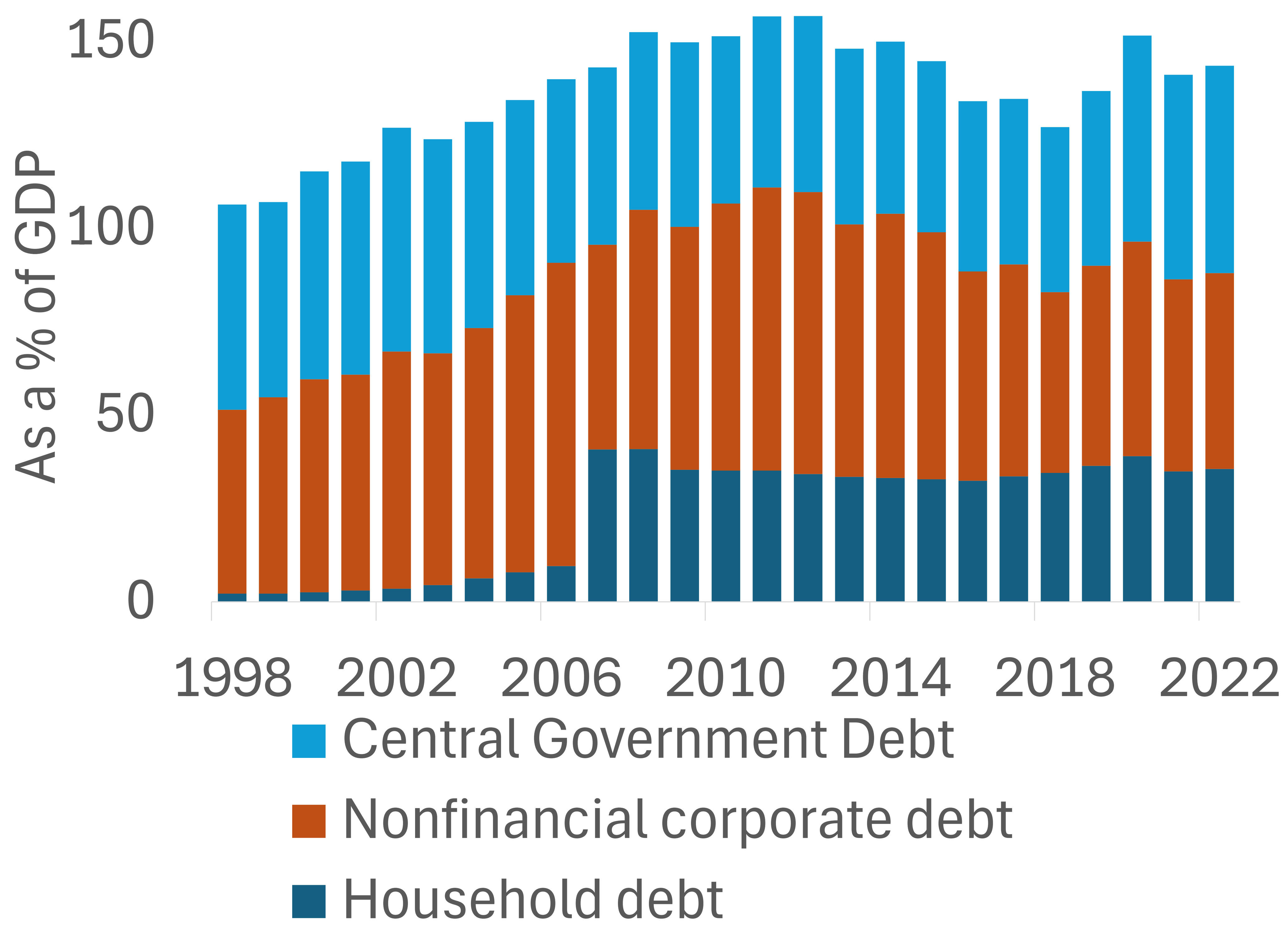
Source: CMIE. Data as on 31 May 2024. All charts are dated as Financial Year
CAGR: Compounded Annual Growth Rate, GDP: Gross Domestic Product, GST: Goods and Services Tax

…And Hence the Need to Borrow More is No Longer Pressing







In order to support the uncertain and weak post pandemic economy the Govt of India borrowed massively from FY21 onwards. This extra borrowing has caused the Sovereign debt to rise to an all time high (as a percentage of GDP).

Since the economy has come out of the COVID shock, expect the govt to focus on brining back the fiscal discipline. Fiscal profligacy has continued in FY24 and probably partly in FY25, so far, because most other countries, driven by US, have also been fiscally profligate.

A turn in fiscal policy by US Treasury could quickly close this fiscal expenditure tap and call for more fiscal consolidation.

However, India remains one of the least indebted nations globally and can navigate such times better than the past.

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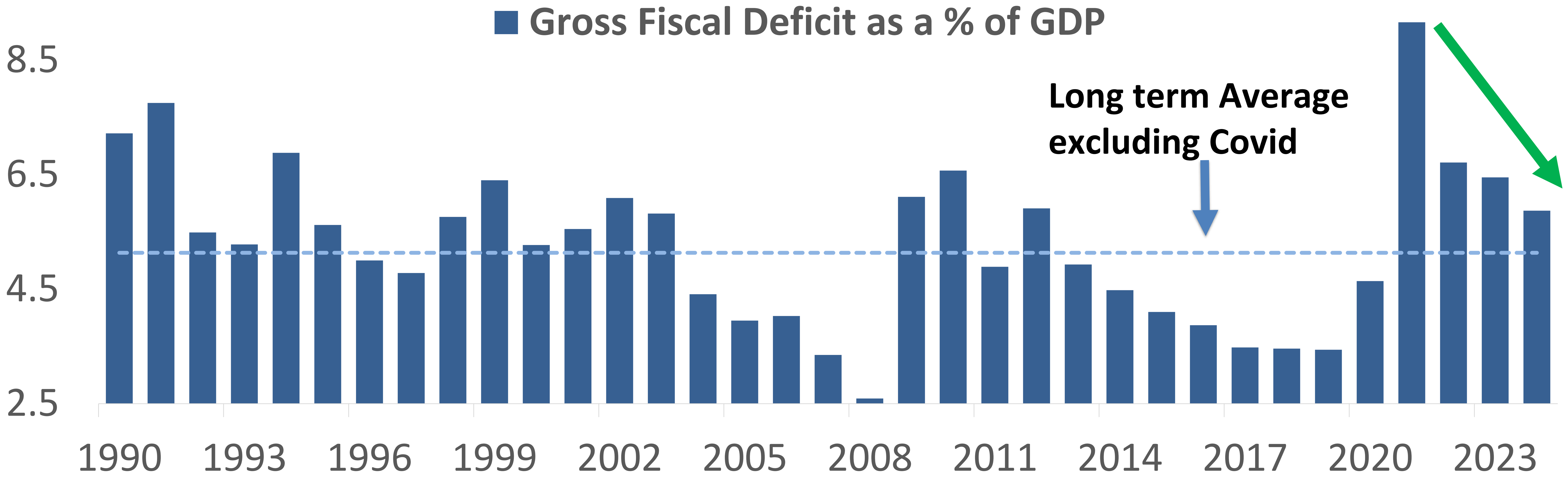
Source: CMIE. Bloomberg. Data as on 31 May 2024.
All charts are dated as Financial Year

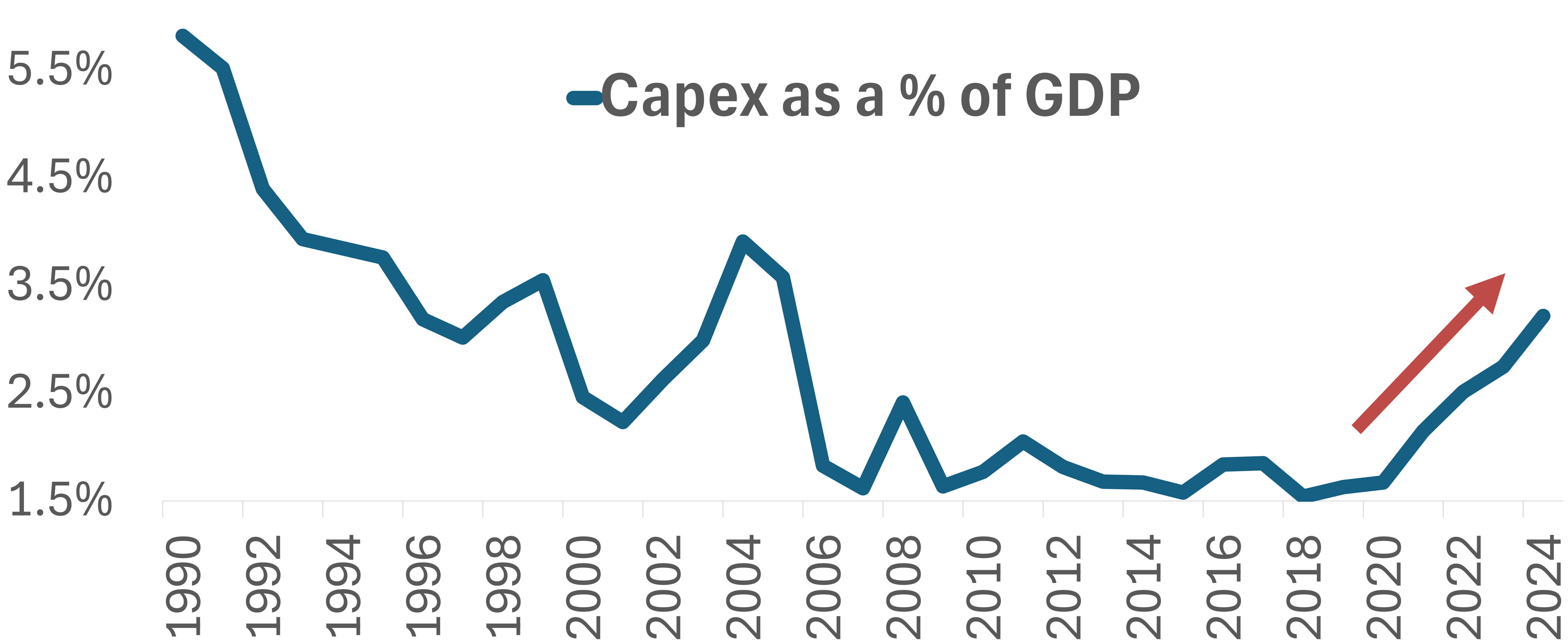
Lower Borrowing Could Mean Slowing Fiscal Support

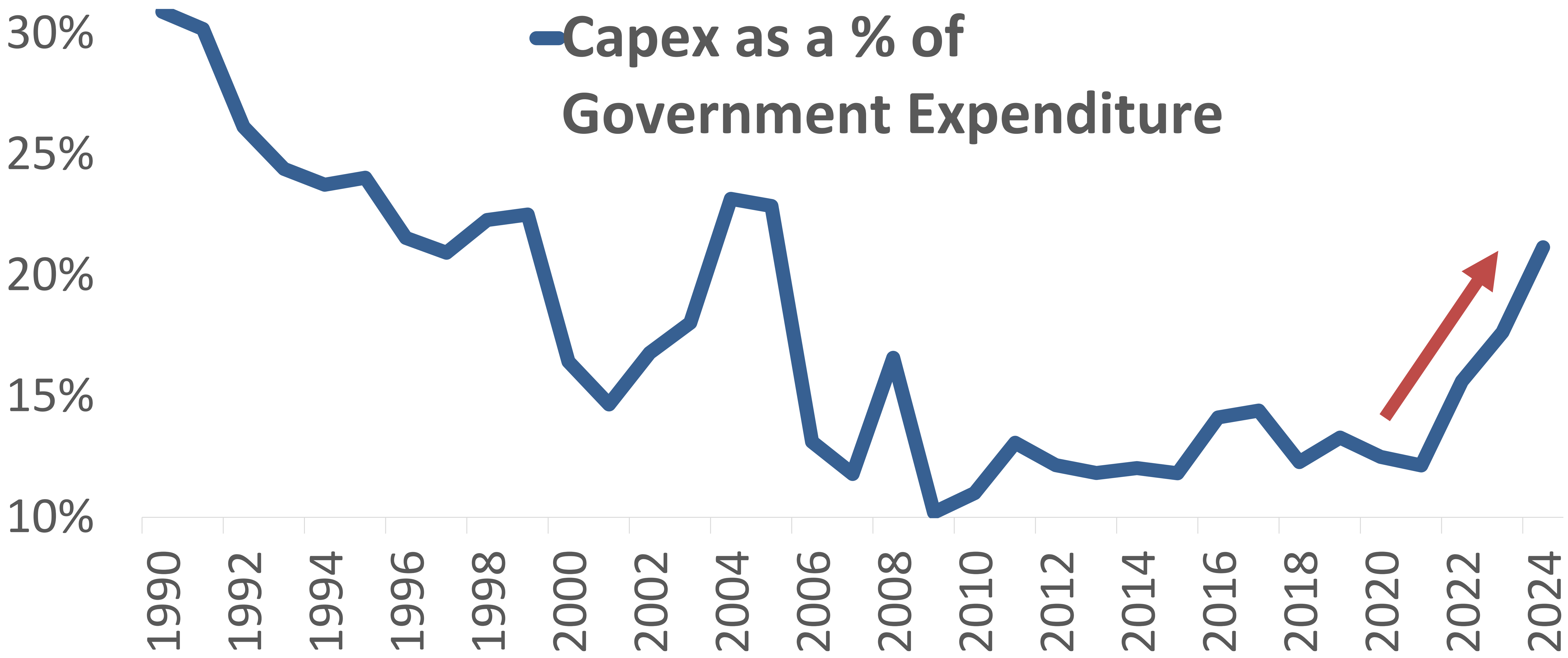
On a path to fiscal consolidation. Notably, the current fiscal year benefits from RBI's record dividend, making this road to consolidation more concrete.



India's fiscal deficit rose to alarming levels post COVID as a means to support a weak economy. Since then, Govt tax revenues have recovered but fiscal deficit has remained high. This has enabled a more than average increase in capital expenditure.

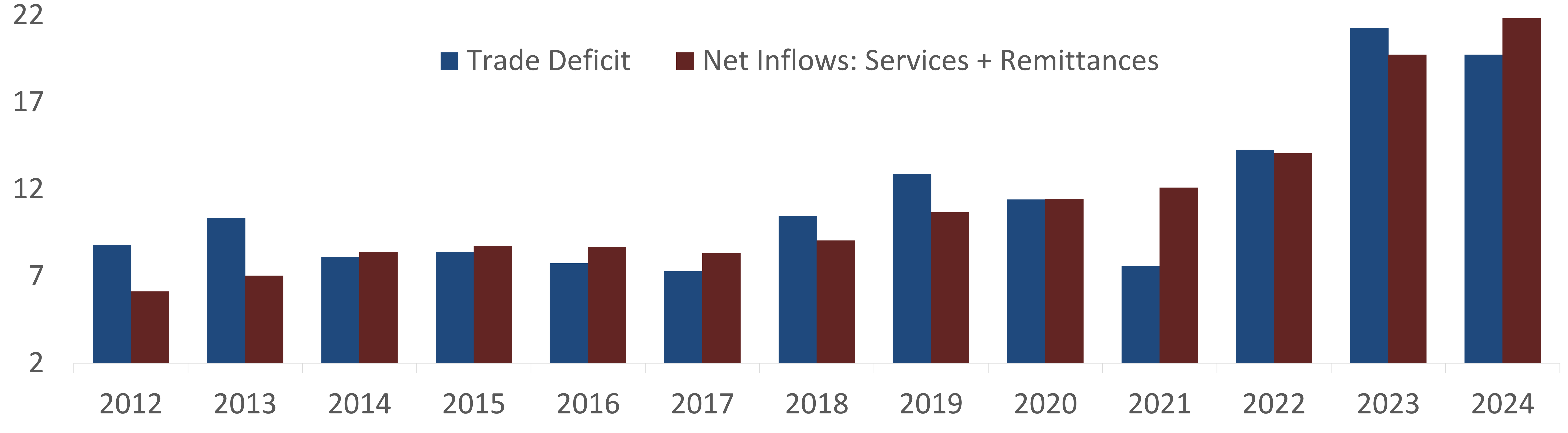
Since the Govt. is focused on a glide path, expect fiscal deficit to decline in the years to come. At 5% fiscal deficit to GDP, don't expect any major increase in expenditure in a broad manner. Reallocation from one focus area to another could be order of the day until fiscal deficit shrink to 4% or lower.

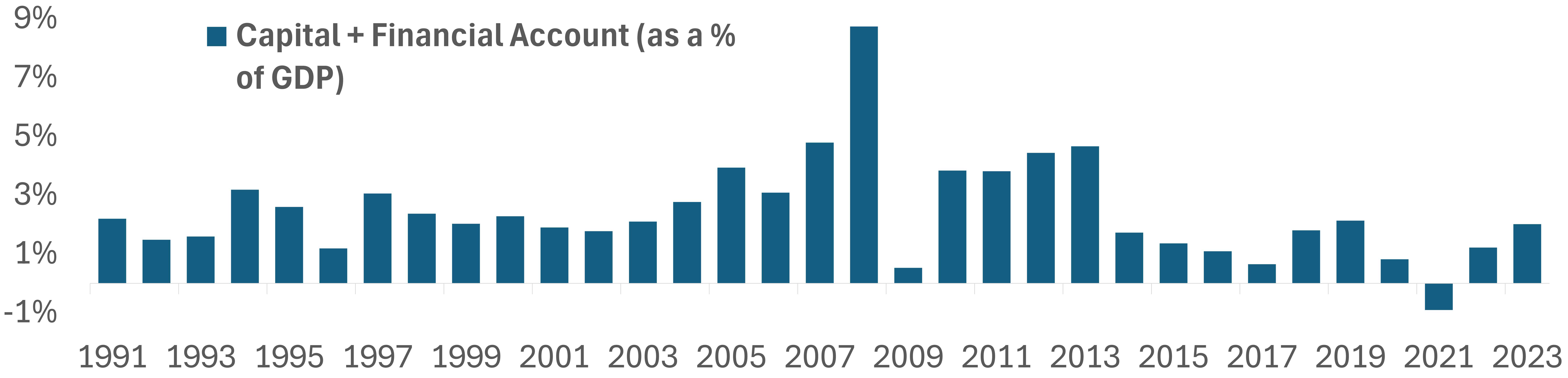




Source: CMIE. Data as on 31 May 2024. All charts are dated as Financial Year
Capex: Capital Expenditure, GDP: Gross Domestic Product

India's BOP: Services & Remittances Buoyancy





Last time India had a balance of payment shock was when Crude Oil prices were sticky at $100 a barrel. This was the 2011 to 2013 phase which coincided and probably caused the twin balance sheet problem in India. At the time, India trade deficit rose to nearly 10% of GDP at one point.

As the size of India's GDP grew, Oil became a lesser problem. The key was the ramp up in India services exports and a very large absolute inflow of private flows through remittances.

When Oil price again touched $100 after the Russia Ukraine war, India's Services + remittances were able to completely offset the large trade deficit, primarily driven by higher oil prices.

Earlier India had to rely on its capital and financial accounts, via FPI and FDI flows to cover its current account. Such reliance has reduced making India's balance of payment much more robust.

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Source: CMIE. Data as on 31 May 2024. All charts are dated as Financial Year
BoP: Balance of Payment, GDP: Gross Domestic Product

Core Inflation at Multi-Year Lows. Tightening the Tightened?

Real Rate (calculated as a difference between the Repo Rate and Core Inflation) is at it's highest at 3.38% (vs 3.23% in Feb'15, when Repo rate was 100bps higher than what it is today). Considering the pre-covid average of this difference, 338bps is a long way from 154bps.

The core number, is on a disinflationary spree, marking the steepest fall of 312 bps fall in 17 months (vs 285 bps in 18 months in 2018-19).

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Source: CMIE. Data as on 31 May 2024

Earnings

Green Pastures for Profit Margins

EBITDA Margins

	FY19	FY20	FY21	FY22	FY23	FY24	1Q24	2Q24	3Q24	4Q24	4Q24 vs 4Q23	FY24 vs FY23	FY24 vs FY19
IT	21%	21%	23%	22%	20%	20%	19%	20%	19%	20%	-0.1%	-0.5%	-1.5%
ex Tech Mahindra	21%	21%	23%	22%	21%	20%	20%	20%	20%	21%	0.1%	-0.2%	-1.0%
Energy	11%	7%	13%	11%	8%	13%	15%	15%	12%	12%	0.3%	4.9%	2.6%
ex RIL	9%	9%	6%	11%	9%	12%	9%	14%	14%	10%	2.5%	2.8%	2.8%
Consumer Staples	19%	20%	20%	19%	18%	19%	19%	19%	19%	19%	1.7%	1.1%	-0.1%
ex HUL	19%	20%	19%	19%	17%	19%	19%	19%	18%	18%	2.2%	1.2%	-0.4%
Comm Services	23%	-10%	20%	43%	40%	39%	36%	40%	42%	38%	-4.6%	-1.2%	16.0%
Materials	33%	28%	40%	39%	27%	28%	28%	26%	30%	28%	0.8%	0.7%	-5.2%
ex Metals	34%	32%	41%	41%	28%	28%	29%	25%	31%	28%	0.4%	0.4%	-6.1%
Cons Disc	7%	8%	6%	9%	9%	12%	10%	13%	12%	11%	1.9%	2.6%	4.9%
ex Tata Motors	11%	9%	6%	9%	10%	11%	10%	13%	12%	10%	1.7%	1.1%	0.5%
Industrials	13%	12%	11%	12%	12%	15%	14%	14%	16%	16%	1.4%	2.5%	1.6%
Utilities	26%	31%	34%	31%	24%	28%	28%	29%	27%	28%	3.1%	3.8%	2.2%
Health Care	18%	18%	21%	19%	20%	22%	21%	22%	22%	22%	3.6%	1.9%	3.4%
Real Estate	27%	23%	23%	25%	25%	28%	24%	28%	28%	30%	5.9%	2.7%	1.1%
Total	15%	13%	18%	18%	15%	18%	18%	18%	17%	17%	0.9%	2.5%	2.4%
Ex Energy, Metals	18%	17%	20%	22%	19%	20%	20%	20%	21%	20%	1.1%	1.1%	2.0%

- **Except for IT and Communication services, margins for most sectors are improving as commodity prices cool off**
- **Margin still trending higher than their pre-pandemic levels, except for IT, consumer staples and materials**

Analysis is done for NSE 500 universe ex financials **Conditional color formatting is horizontal >>*

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EBITDA: Earnings Before Interest, Tax, Depreciation and Amortization

Revenue Growth Moderating

	5 Year CAGR								YoY, % change							
	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24
IT	14%	13%	14%	13%	13%	12%	12%	11%	22%	22%	23%	19%	12%	7%	3%	2%
Energy	15%	12%	10%	12%	9%	7%	8%	10%	73%	44%	21%	9%	-9%	-9%	0%	3%
ex RIL	17%	15%	12%	10%	16%	9%	6%	8%	40%	78%	46%	22%	11%	-11%	-12%	-2%
Consumer Staples	12%	13%	12%	11%	11%	11%	10%	10%	31%	21%	12%	11%	6%	6%	6%	7%
Comm Services	13%	12%	9%	10%	13%	11%	9%	9%	17%	18%	13%	9%	16%	7%	6%	8%
Materials	15%	13%	13%	14%	12%	11%	10%	10%	28%	12%	4%	1%	1%	3%	1%	-3%
Cons Disc	5%	7%	10%	13%	10%	6%	9%	11%	28%	40%	24%	26%	32%	3%	7%	5%
ex Tata Motors	6%	9%	12%	16%	10%	6%	10%	13%	36%	43%	25%	23%	28%	-6%	1%	1%
Industrials	13%	11%	8%	8%	11%	9%	9%	9%	59%	34%	18%	13%	7%	5%	12%	14%
Utilities	19%	15%	13%	14%	13%	12%	11%	13%	61%	41%	28%	17%	-5%	3%	3%	7%
Health Care	10%	9%	9%	9%	11%	10%	8%	9%	5%	9%	12%	11%	15%	14%	7%	11%
Real Estate	12%	4%	13%	10%	8%	9%	11%	11%	71%	-1%	25%	14%	-8%	28%	6%	16%
Total	13%	11%	11%	12%	11%	9%	9%	10%	47%	33%	19%	12%	2%	-1%	3%	4%
Ex Energy, Metals	11%	11%	11%	12%	12%	10%	10%	11%	33%	27%	18%	15%	12%	5%	6%	6%

- **Revenue growth (ex financials) is moderating to single digit, FY19-24 the same grew at 10% CAGR**
- **Growth vs FY23 is now down to low single digit.**
- **Industrials, Healthcare and Real estate are still maintaining double digit pace**

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CAGR: Compounded Annual Growth Rate

Analysis is done for NSE 500 universe ex financials

**Conditional color formatting is horizontal >>*

A Strong Balance Sheet Coupled with Peak Margins but Moderating Topline

	EBITDA			Net Debt to Equity			ROE		
	FY24	vs FY19	vs FY23	FY24	vs FY19	vs FY23	FY24	vs FY19	vs FY23
IT	20%	-1%	-1%	-28%	10%	-7%	34%	4%	-1%
ex Tech Mah	17%	-2%	-1%	-25%	9%	-17%	29%	2%	-2%
Energy	13%	3%	5%	29%	-18%	-62%	17%	2%	5%
ex RIL	12%	3%	3%	40%	-5%	-105%	24%	5%	9%
Staples	19%	0%	1%	-11%	-3%	0%	23%	-4%	0%
ex HUL	19%	0%	1%	-9%	-5%	6%	23%	0%	0%
Comm Services	39%	16%	-1%	609%	479%	-36%	-17%	-14%	3%
Materials	28%	-5%	1%	43%	-23%	15%	11%	-1%	-3%
Ex Metals	28%	-6%	0%	38%	-30%	13%	11%	-2%	-2%
Cons Disc	12%	5%	3%	41%	1%	-63%	21%	16%	7%
ex Tata Motors	11%	0%	1%	38%	9%	-23%	18%	-1%	3%
Industrials	15%	2%	2%	39%	-14%	-31%	17%	2%	3%
Utilities	28%	2%	4%	111%	-23%	-48%	16%	4%	2%
Health Care	22%	3%	2%	-2%	-18%	-25%	14%	2%	2%
Real Estate	28%	1%	3%	27%	-21%	-87%	8%	3%	1%
Total	18%	2%	3%	43%	-10%	-33%	17%	3%	2%
Ex Energy, Metals	20%	2%	1%	64%	-6%	-22%	23%	6%	1%

- **Margins have improved both vs pre-pandemic and YoY basis with commodity tail winds and operating leverage**
- **With high operating cashflow and calibrated capex, balance sheet continues to strengthen with net debt equity improving**
- **Profits have grown at a healthy 15% CAGR FY19-23 and 17% YoY**
- **Return on Equity has improved by 300 bps vs FY19**

Analysis is done for NSE 500 universe ex financials

**Conditional color formatting is vertical, except Net Debt to Equity where it is reverse>>*

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EBITDA: Earnings Before Interest, Tax, Depreciation and Amortization, ROE: Return on Equity

Sectors

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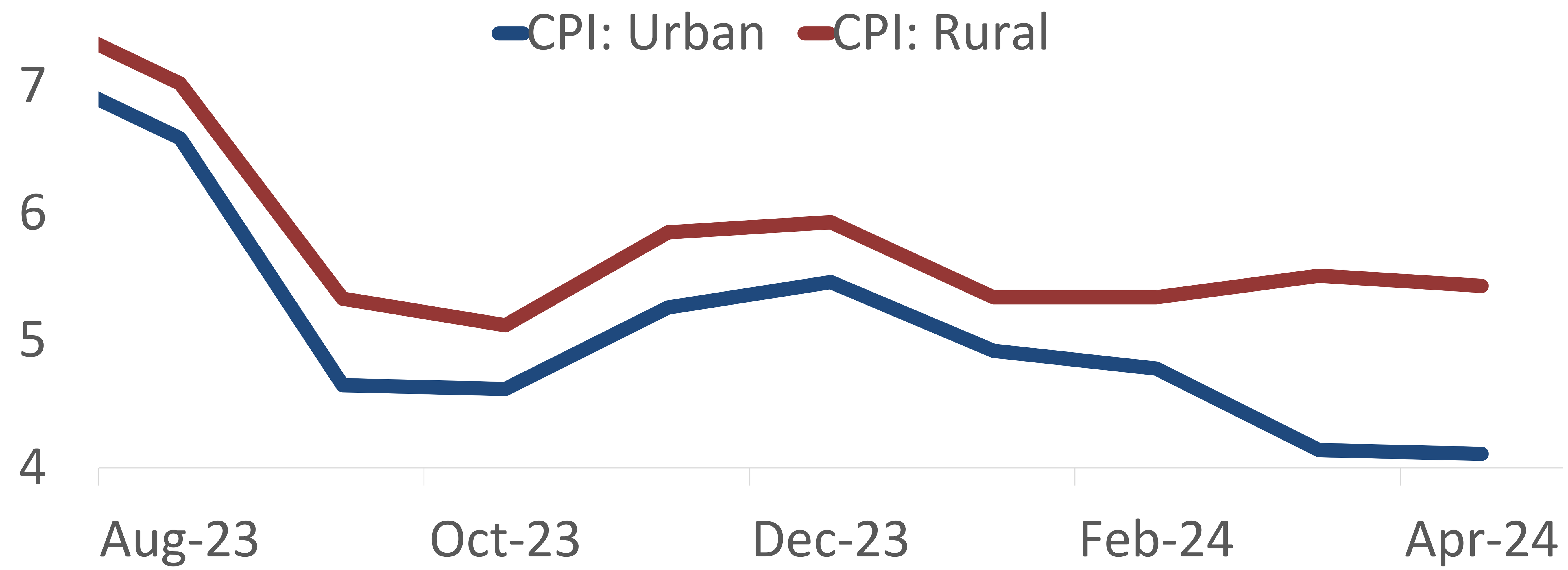
Pockets of Opportunity

Source: Bloomberg. Data as on 31 May 2024.

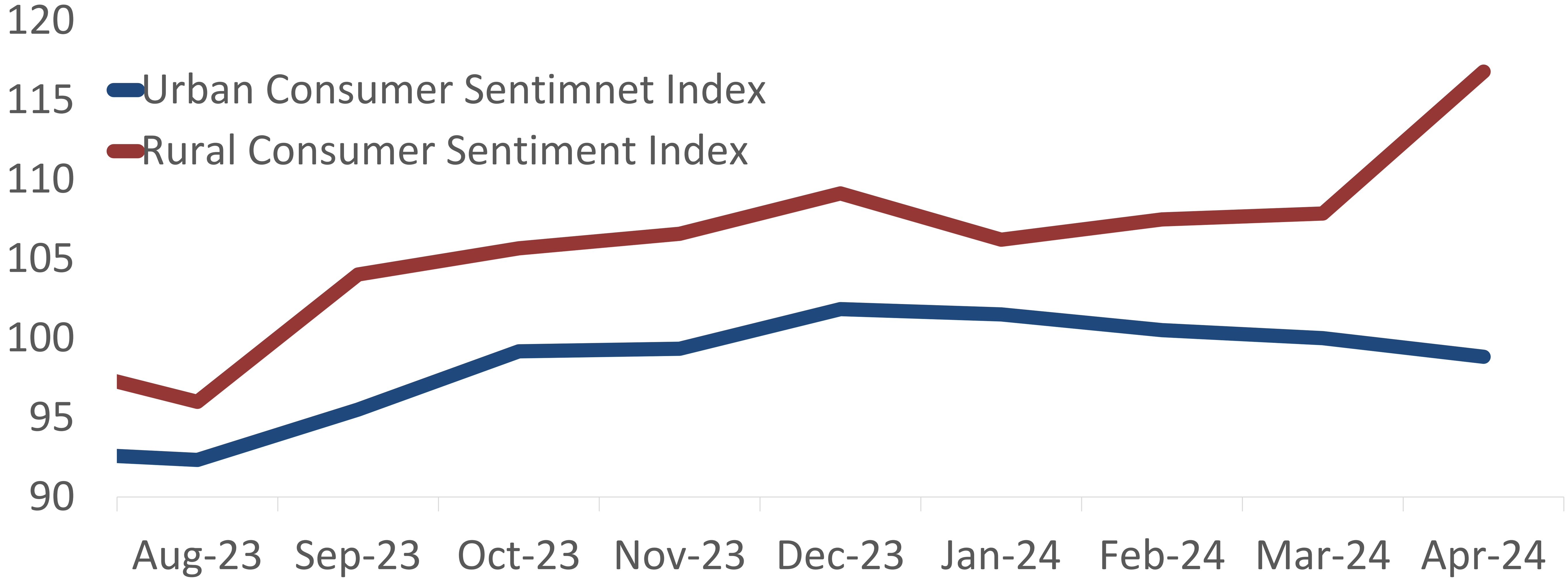
5Yr and 10Yr Pre covid multiples are from Jan-15 to Jan-20 and Jan-10 to Jan-20 respectively. Price to book multiples are used for NBFC, Banks, Metals, Oil and Gas, Real Estate and utilities. Price to Embedded value is used for insurance. The valuation data is available only from FY17. Price to Earnings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

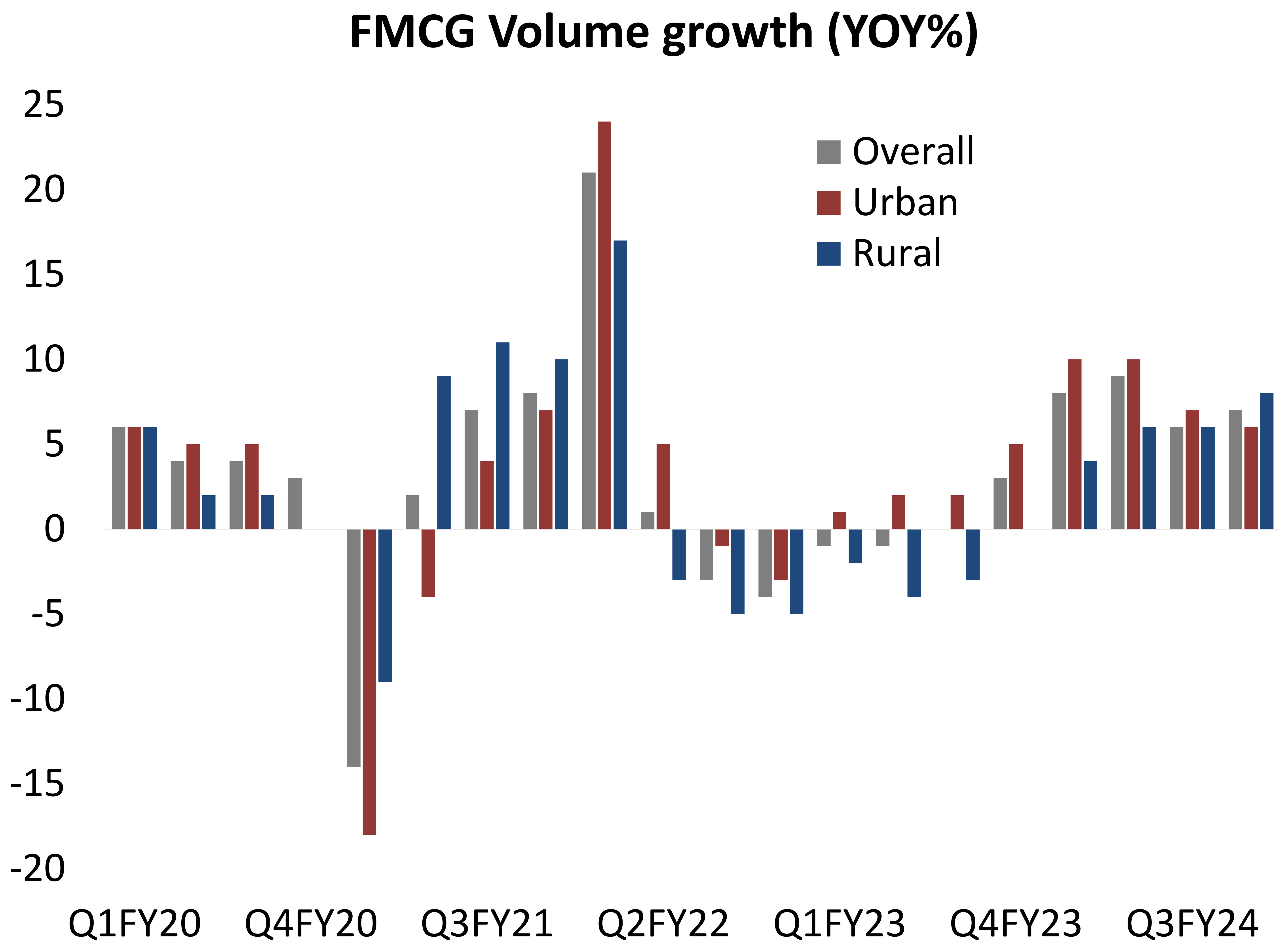
FMCG: All Eyes on Volume Recovery

Recent optimism of acceleration in consumption, driven by expectations of the government implementing social welfare schemes, may improve the demand conditions for all consumer companies.



Sticky inflation fails to dent rural confidence, hinting at a potential recovery





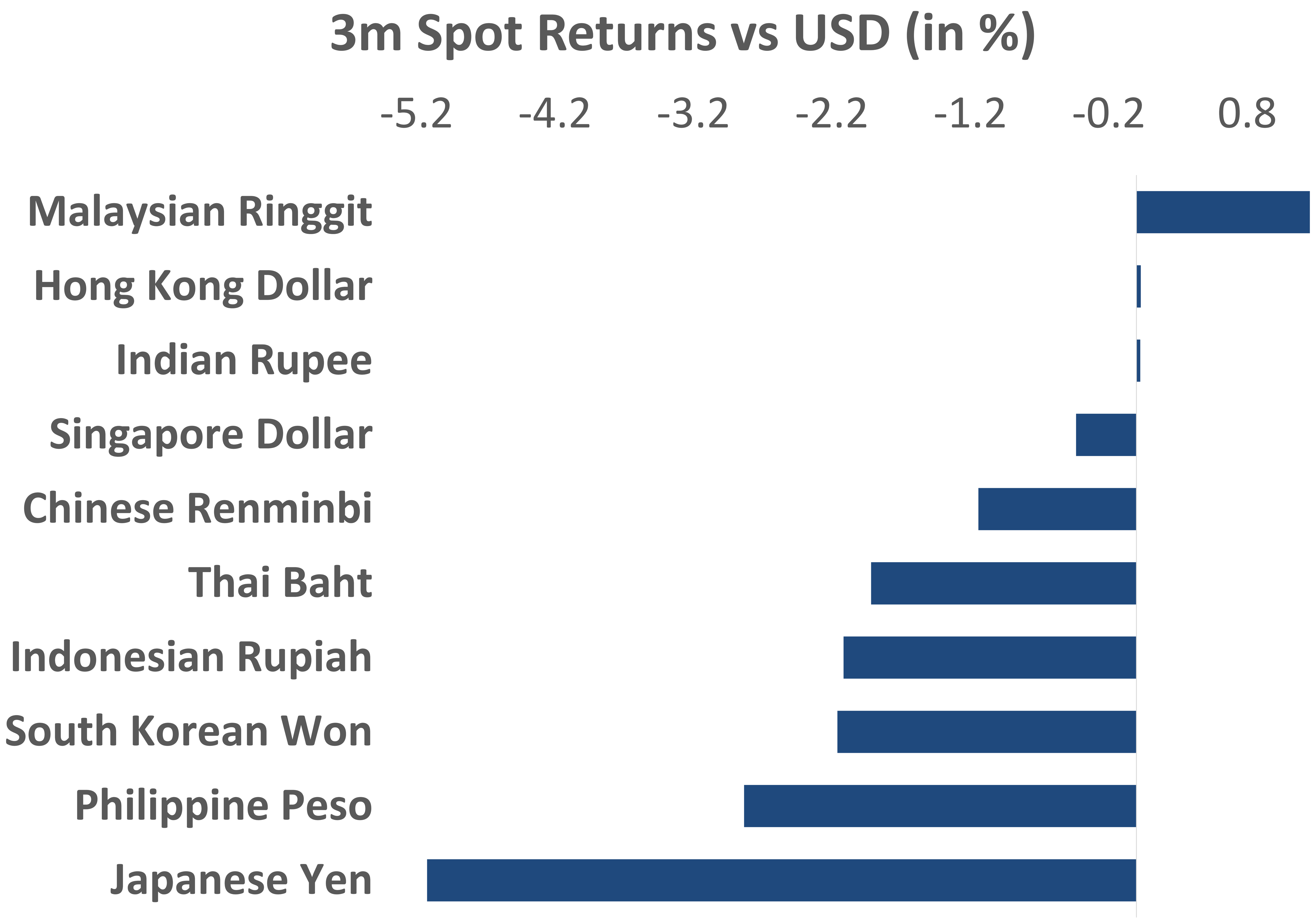
Source: Emkay, Bloomberg. Data as on 31 May 2024

CPI: Consumer Price Index

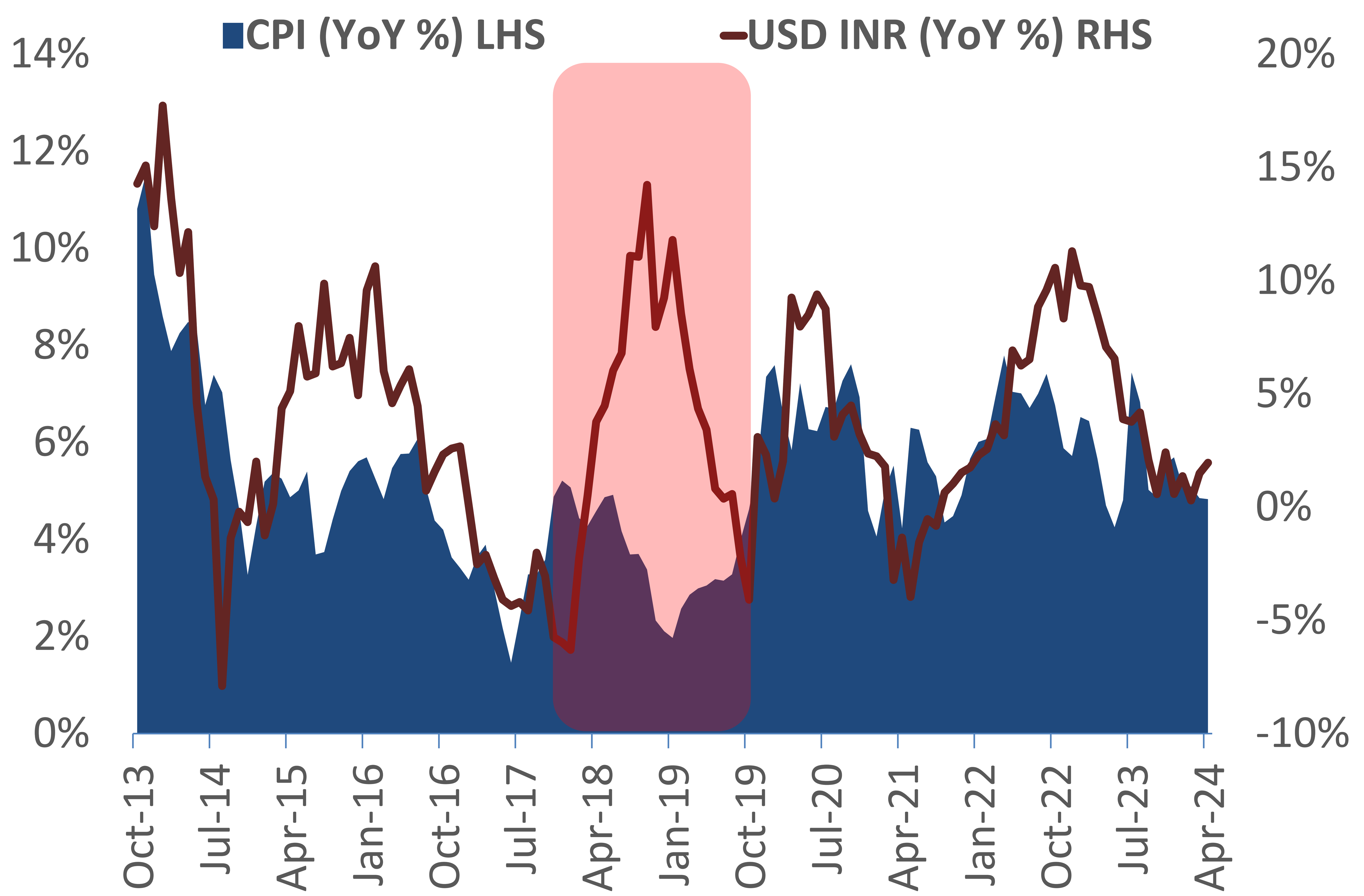
Fixed Income

Indian Rupee is Stable, Than Ever

Despite Rupee recording its lowest number, RBI's active intervention has kept Rupee's fall in check, having it outperform among it's Asian Peers



Although officially, higher interest rates are aimed at keeping inflation within the target range, the synchronized appreciation of the rupee alongside lower inflation can't be entirely dismissed as coincidental.

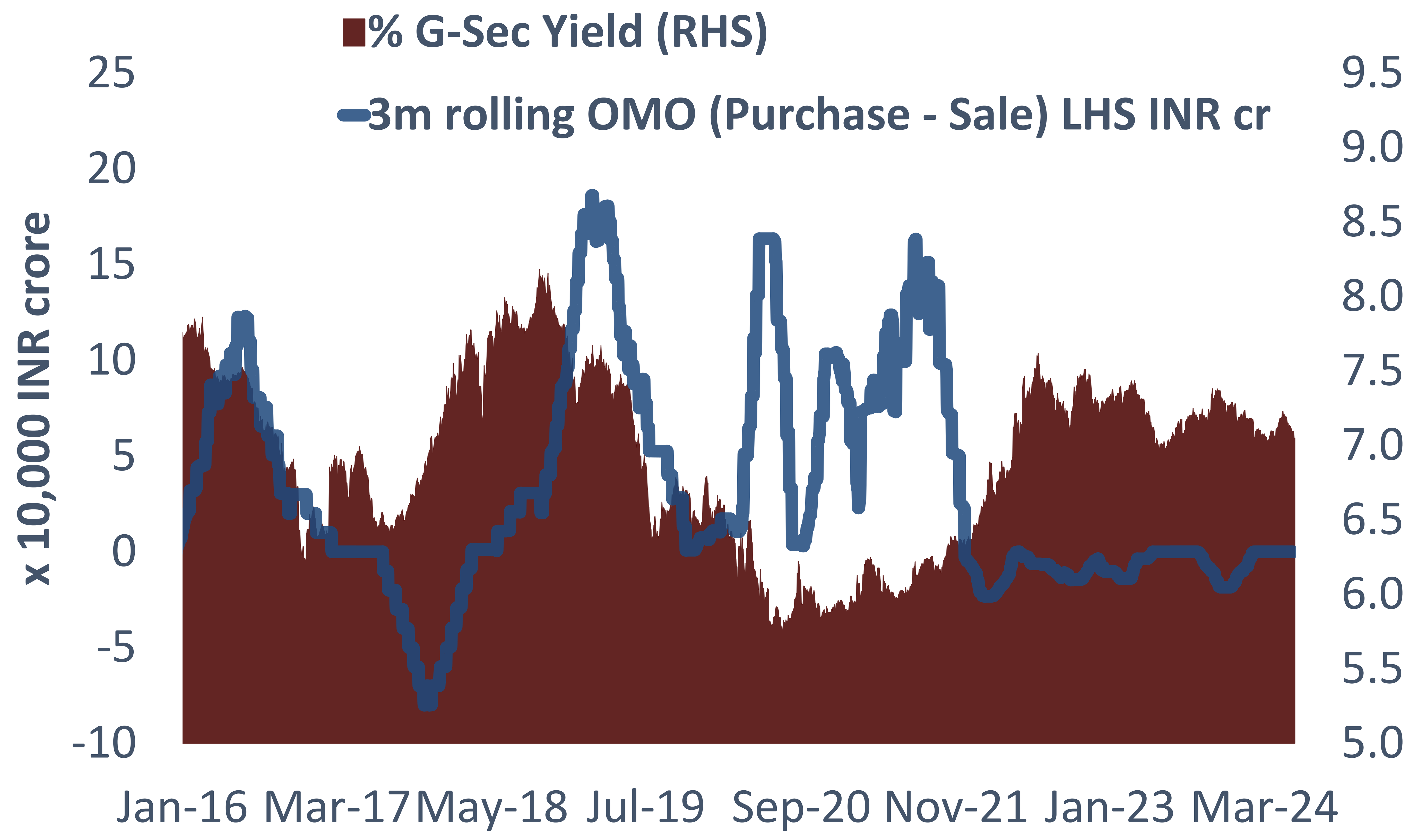


DSP

Source: Bloomberg. Data as on 31 May 2024.

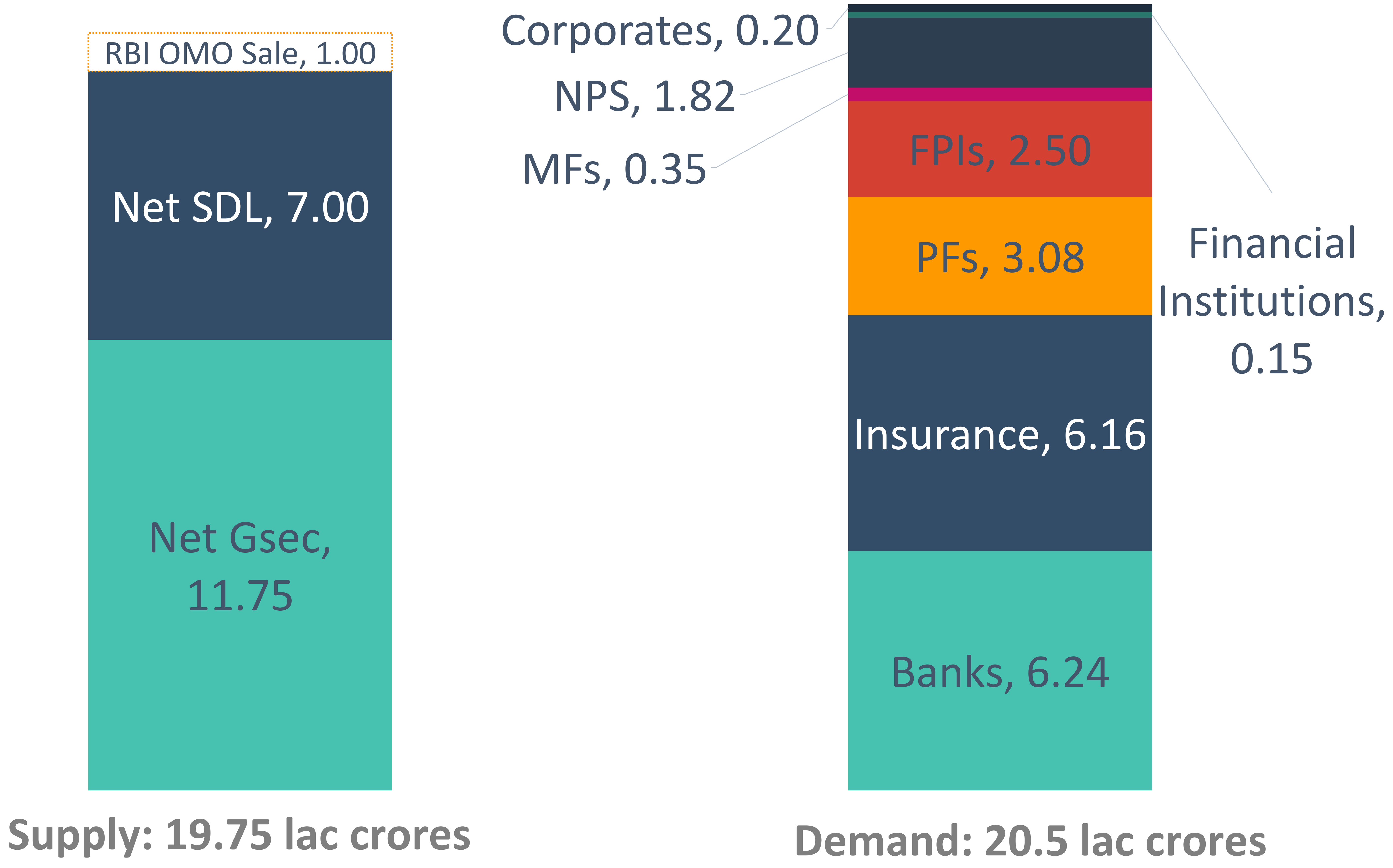
Govt Bonds May Benefit From Increased Demand in FY25

Bond yields reacting swiftly to the RBI's Open Market Operations purchases demonstrate the central bank's ability to influence the market, suggesting that the RBI can effectively address demand-supply imbalances by injecting or absorbing liquidity through bond purchases or sales.



Demand to outpace supply in FY25

- G-sec *plus* SDL supply is higher only by 4% over FY24
- RBI's record dividend could reduce supply further
- Global Index inclusion to support passive/active FPI buying
- Natural demand to come from other passive buyers like Insurance, PF, NPS, etc.



DSP

Source: Bloomberg. Data as on 31 May 2024.

OMO: Open Market Operations, SDL: State Development Loans, FPI: Foreign Portfolio Investors, PF: Provident Fund, NPS: National Pension Scheme

Let’s sum it up.

Asset Class View

- **Equity:** Equity markets are hitting record highs with expensive valuations, especially in small & midcaps. Consider a cautious approach & focus on undervalued sectors like financials, healthcare & autos for better entry points

- **Debt:** Inflation, Govt Security demand & supply picture, balance of payment and sluggish nominal growth continue to favor tactical bet for long duration for fixed income.

- **Commodities:** Alternate exposure to precious metals has been a source of diversification with suitable benefits.

Source: Bloomberg. Data as on June'24.

Source: internal, Disclaimer: The investment approach / framework/ strategy mentioned herein is currently followed by the scheme(s) and the same may change in future depending on market conditions and other factors. The sector(s)/stock(s)/issuer(s) mentioned in this document do not constitute any recommendation of the same and the Fund may or may not have any future position in these sector(s)/stock(s)/issuer(s).

Large caps are defined as top 100 stocks on market capitalization, mid caps as 101-250 small caps as 251 and above.

How To Position Your Portfolio?

DSP

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

DSP

Disclaimer: Above table is for illustration purpose only

Conservative Strategy

Portfolio: Conservative

Asset Class	Category	Fund	Allocation
Equity 20%	Index Fund	DSP Nifty 50 Index Fund	15%
	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 & Mid Cap Fund	DSP Equity Opportunities Fund	10%
	Large Cap Fund	DSP Top 100 Equity Fund	10%
	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%

DSP

Aggressive Strategy

Portfolio: Aggressive

Asset Class	Category	Fund	Allocation
Equity 60%	Large Cap Fund	DSP Top 100 Equity Fund	35%
	Multicap Fund	DSP Multicap Fund	5%
	Sectoral / Thematic	DSP Healthcare Fund	10%
	Sectoral / Thematic	DSP Banking & Financial Services Fund	10%
Alternate & Hybrid 25%	FoF – Overseas	DSP World Gold Fund of Fund	5%
	Equity Savings	DSP Equity Savings Fund	15%
	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 50%	Index Fund	DSP Nifty 50 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%

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

…And Some Fun Recommendations

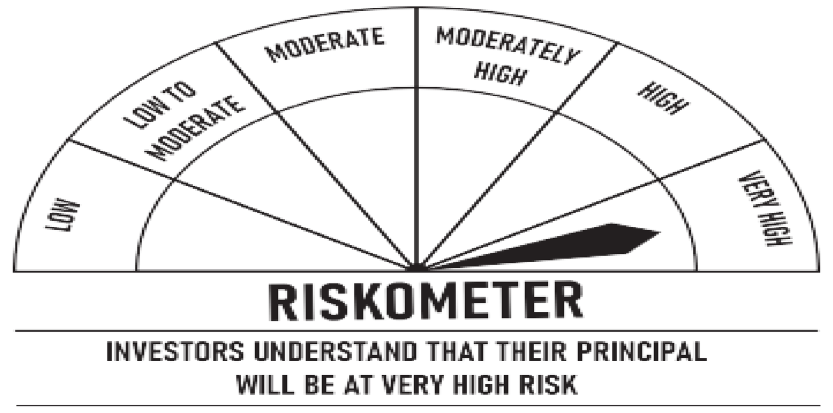
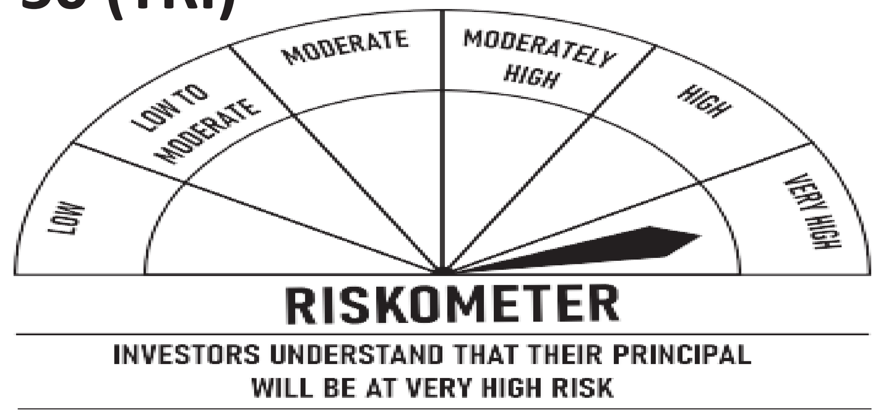
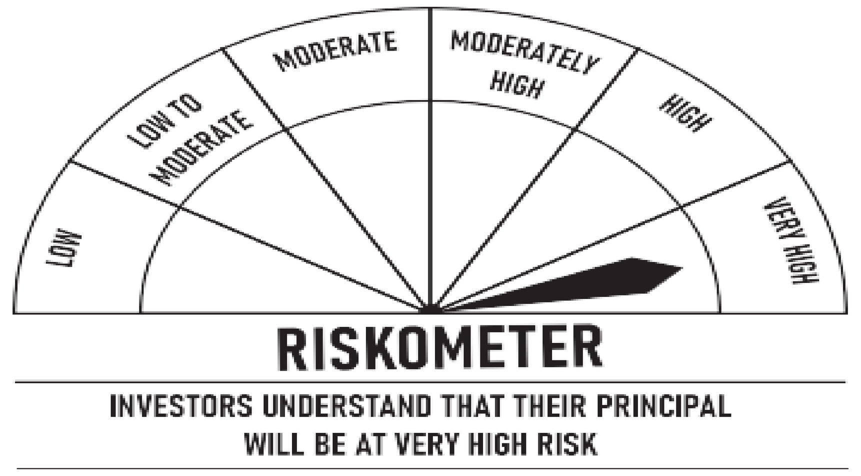
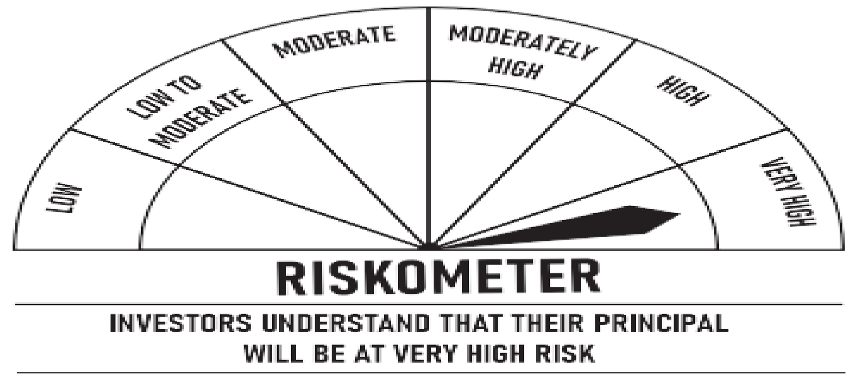
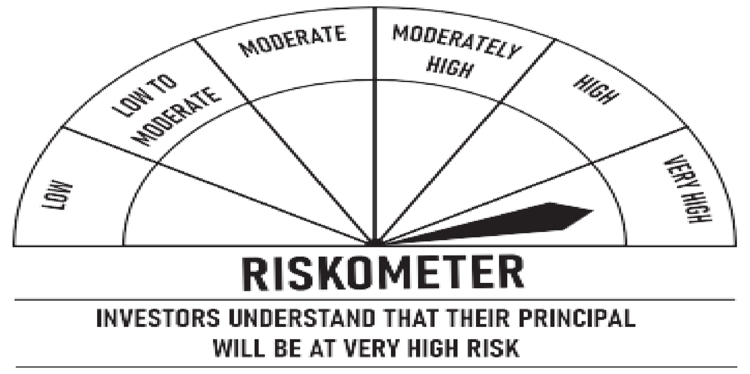
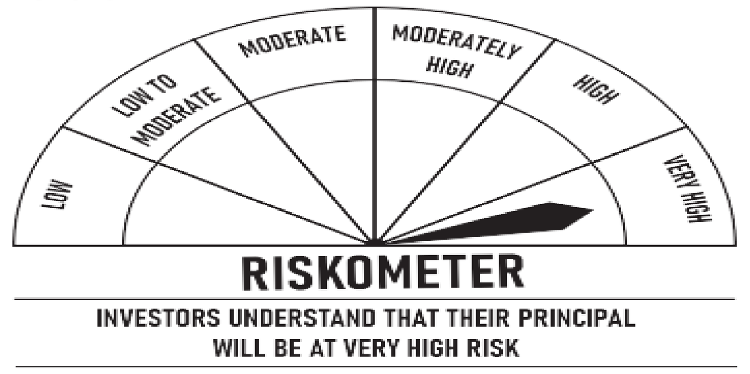
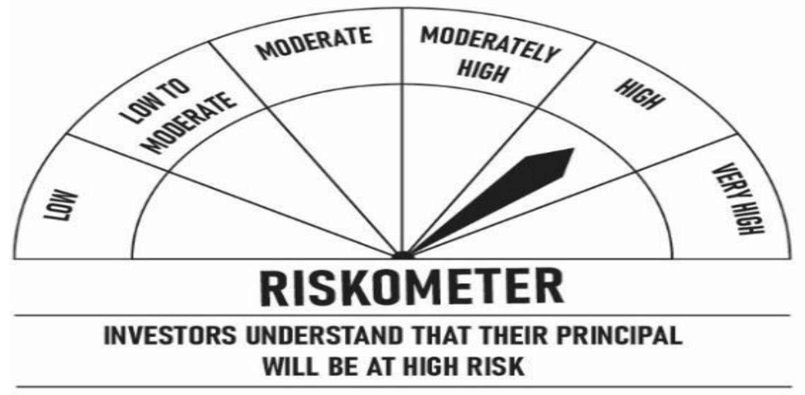
What we liked:

- Book: "Nuclear War: A Scenario" by Annie Jacobsen
- Podcast: Dr. Casey Means: Transform Your Health by Improving Metabolism, Hormone & Blood Sugar Regulation
- Article: China is Losing the Chip War

Our in-house creations:

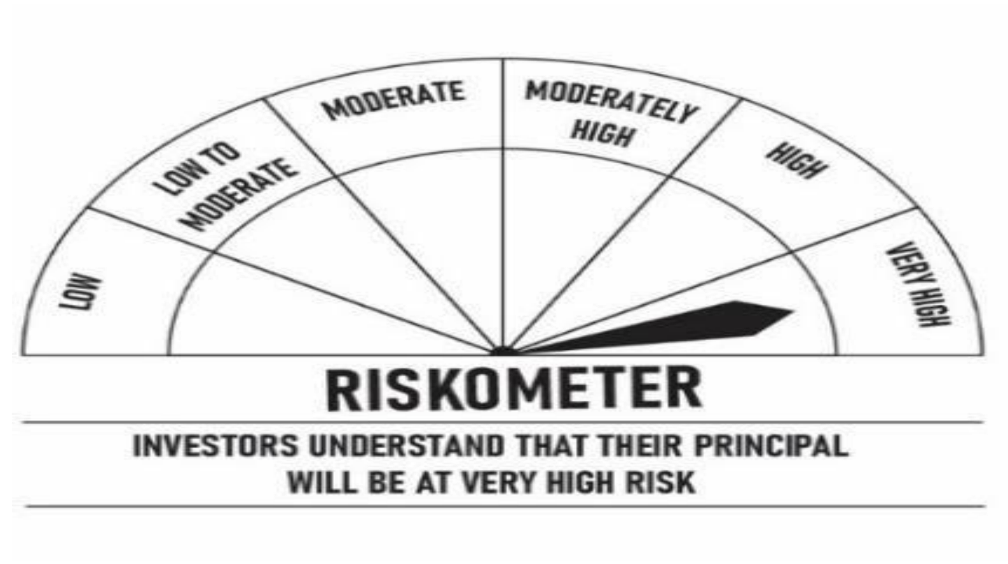
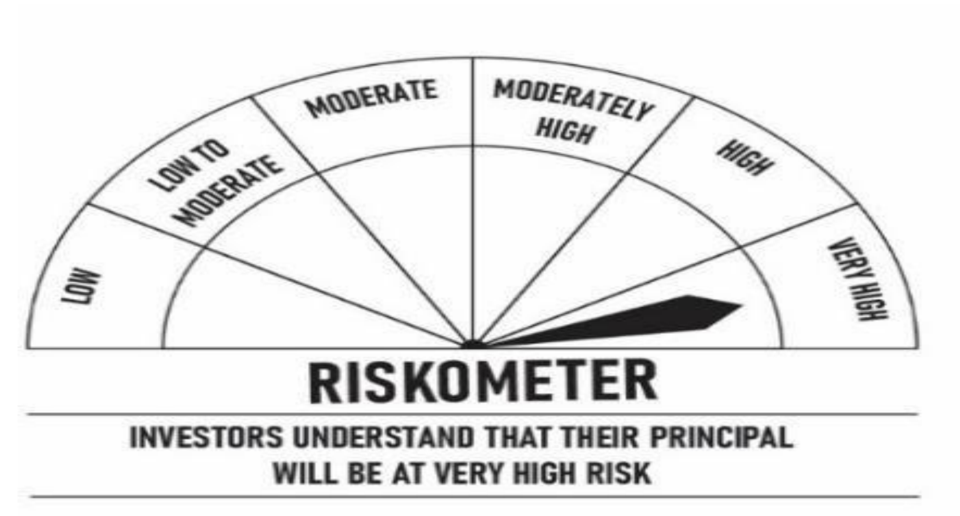
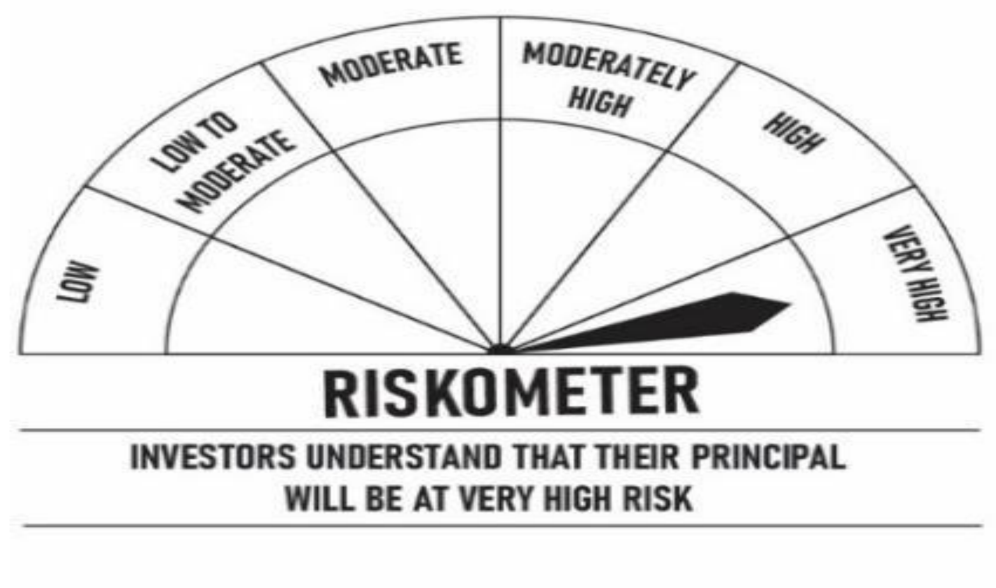
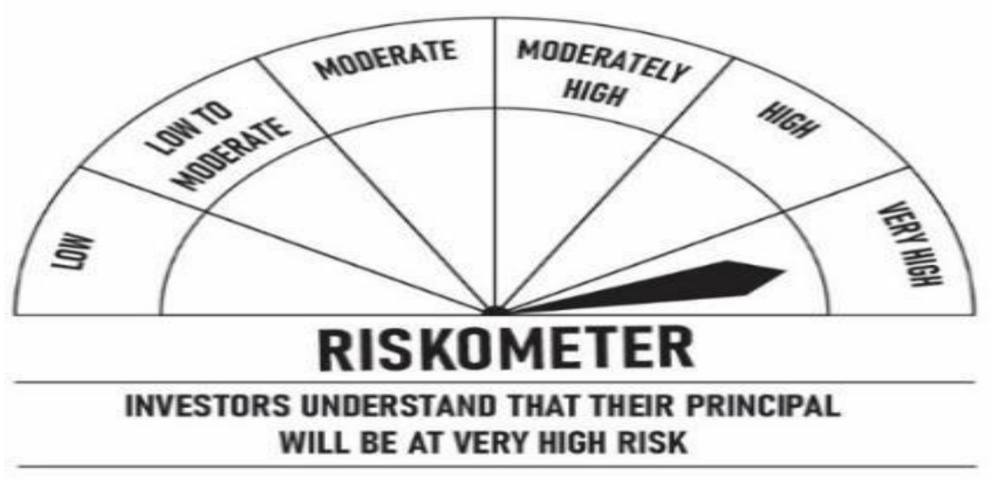
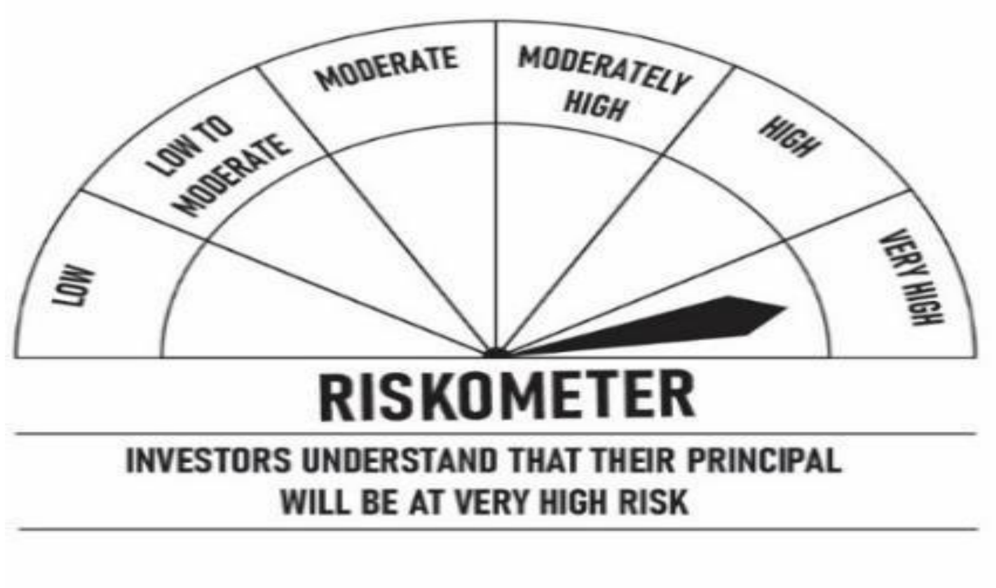
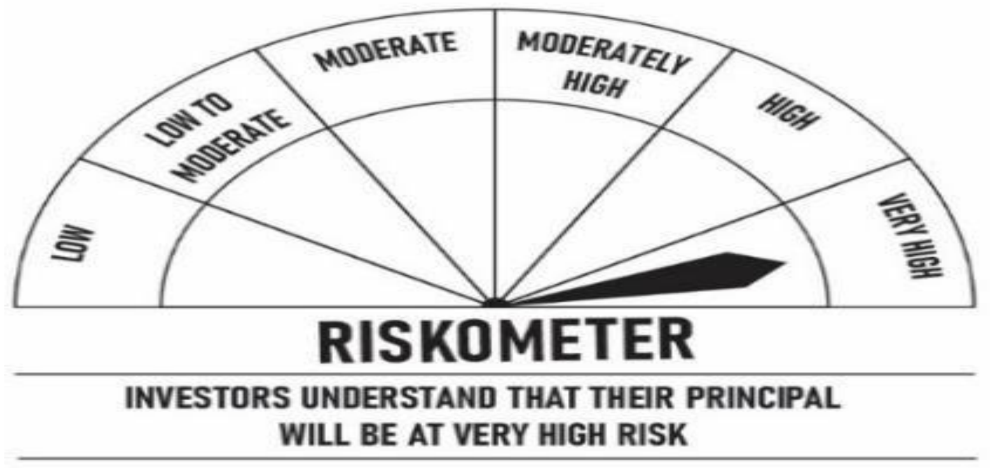
- Short Film | Kya Kar Rahe Ho, Papa?| Watch here
- DSP Blog| A cheerful pessimist who survives Read the Blog
- DSP Blog | When Buffett talks, we listen! Read here

Product labelling & Riskometer

Scheme	Product Suitability	Riskometer of the Scheme	Riskometer of Benchmark
DSP Nifty 50 Index Fund (An open ended scheme replicating / tracking NIFTY 50 Index)	This open ended scheme replicating/ tracking NIFTY 50 Index is suitable for investor who are seeking* • Long-term capital growth • Returns that are commensurate with the performance of NIFTY 50 Index, subject to tracking error.		**Nifty 50 (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		**Nifty 500 Multicap 50:25:25 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** 
DSP Gold ETF Fund of Fund (An open ended fund of fund scheme investing in DSP Gold ETF)	This open ended Fund of Fund Scheme 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)** 

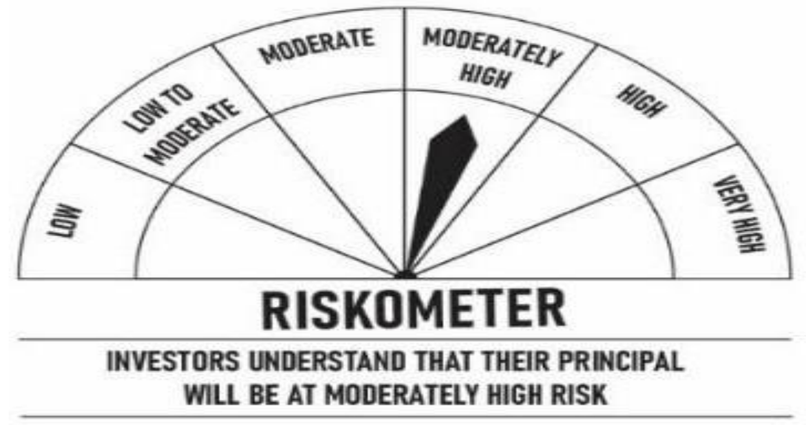
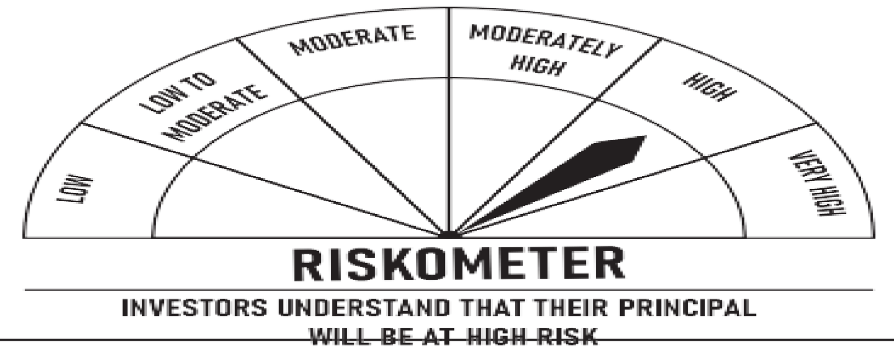
*Investors should consult their financial advisors if in doubt about whether the scheme is suitable for them.

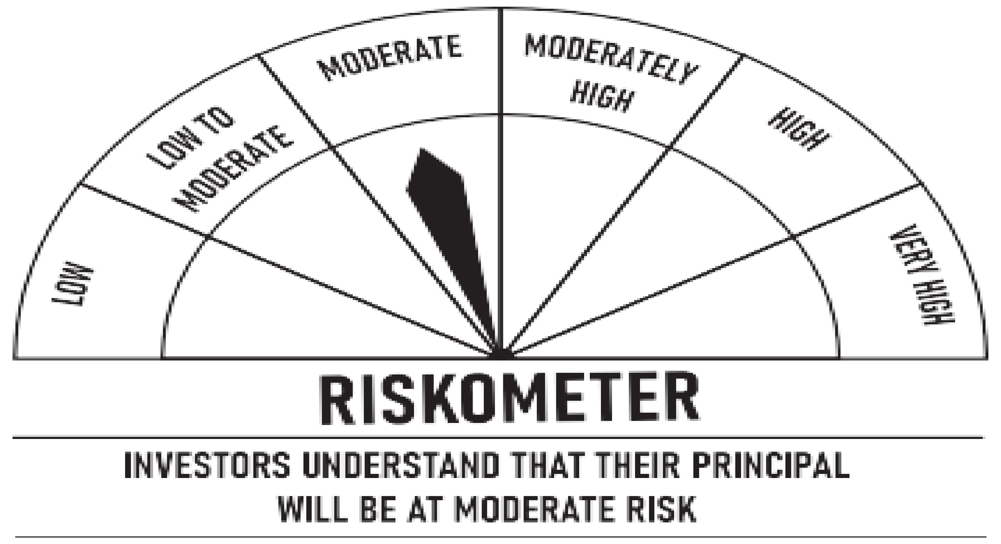
Product labelling & Riskometer

Scheme	Product Suitability	Riskometer of the Scheme	Riskometer of Benchmark
DSP Nifty Bank Index Fund (An open ended scheme replicating/ tracking Nifty Bank Index)	This product is suitable for investors 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 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		**BSE HEALTHCARE (TRI)** 

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

Product labelling & Riskometer

<table>
<tr><th>Scheme</th><th>Product Suitability</th><th>Riskometer of the Scheme</th><th>Riskometer of Benchmark</th></tr>
<tr>
<td>DSP Dynamic Asset Allocation Fund
(An open ended dynamic asset allocation fund)</td>
<td>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.</td>
<td>
</td>
<td>CRISIL Hybrid 50+50 - Moderate Index

</td>
</tr>
<tr>
<td>DSP Savings Fund
(An open ended debt scheme investing in money market instruments. A relatively low interest rate risk and moderate credit risk.)</td>
<td>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.</td>
<td>
</td>
<td>CRISIL Money Market A-I Index

</td>
</tr>
<tr>
<td>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.)</td>
<td>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.</td>
<td>
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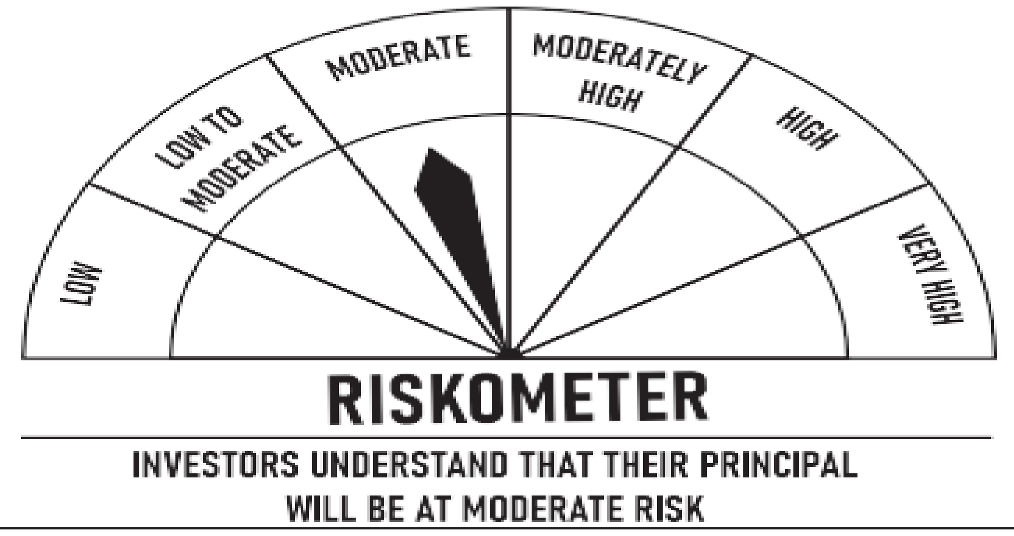
<td>CRISIL SDL Plus G-Sec Apr 2033 50:50 Index

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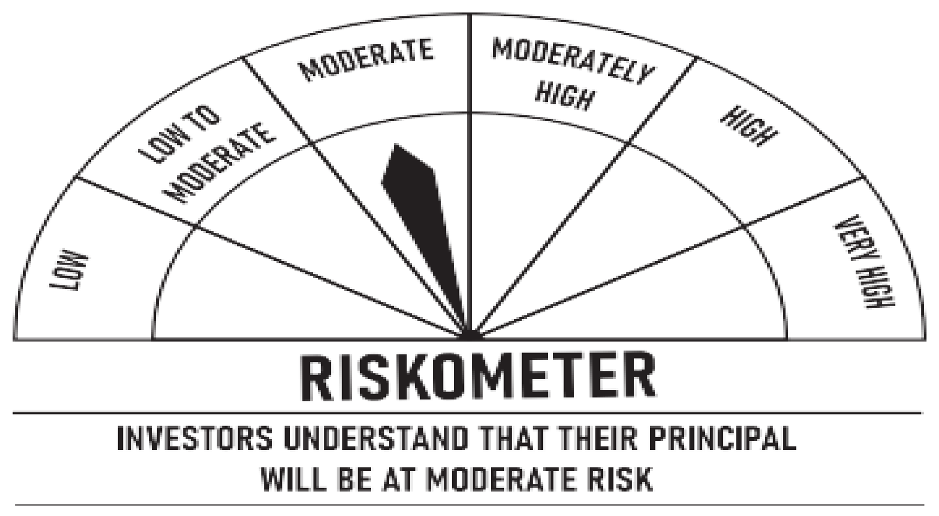
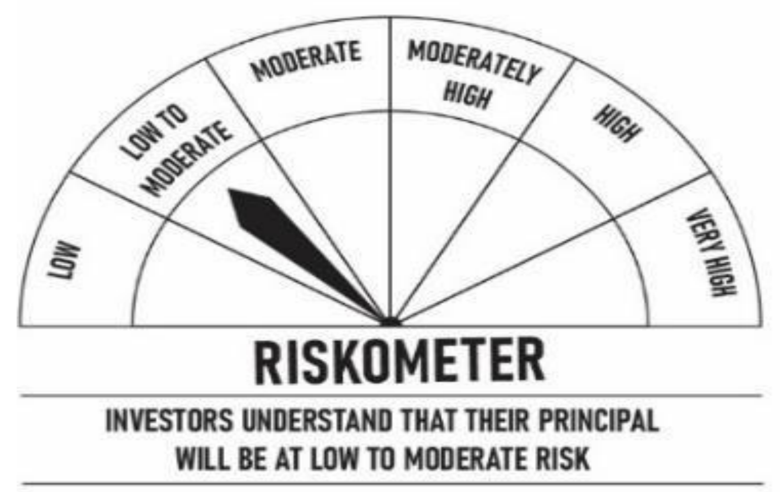
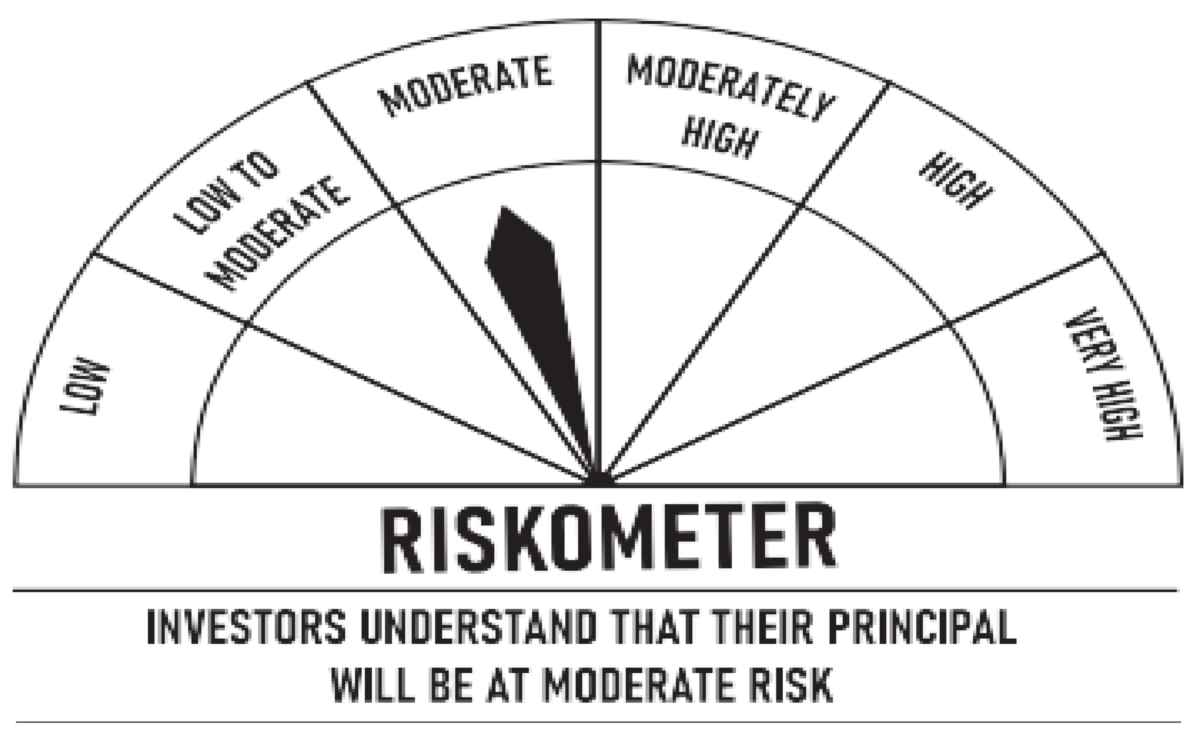
</table>

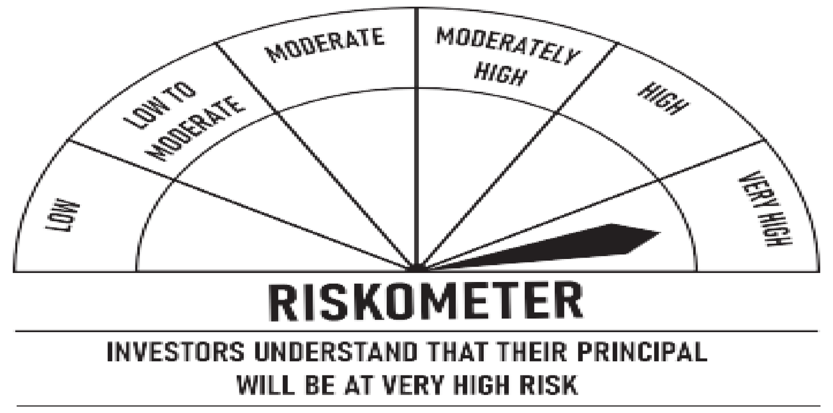
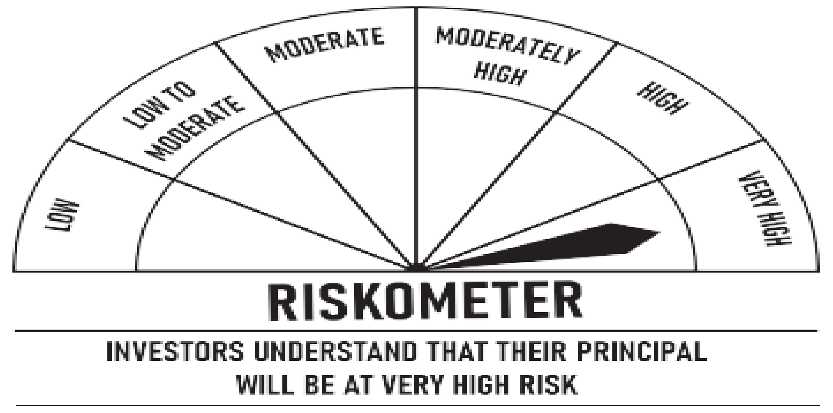
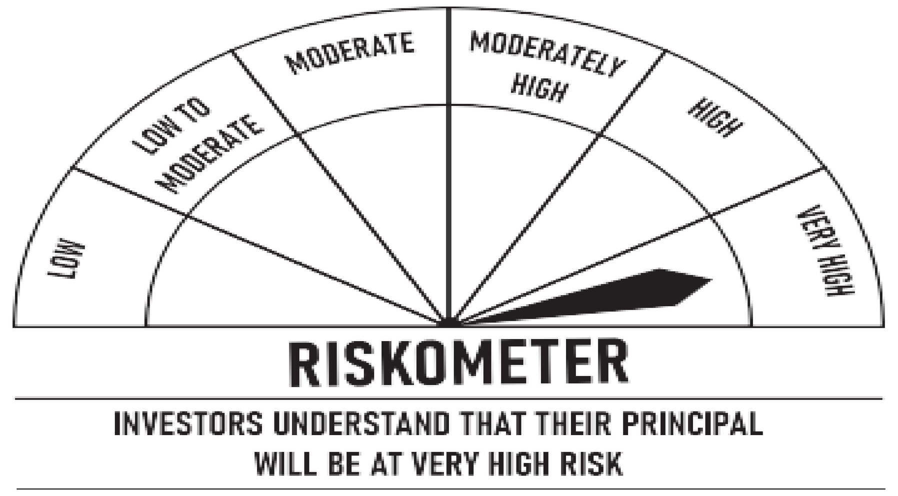
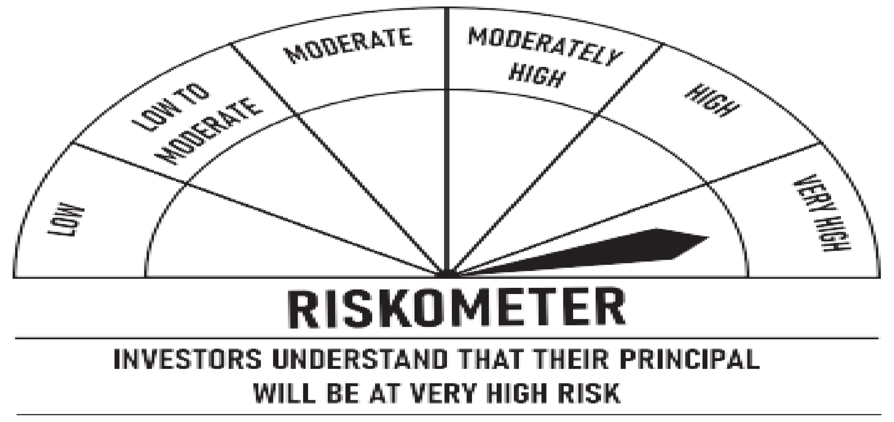
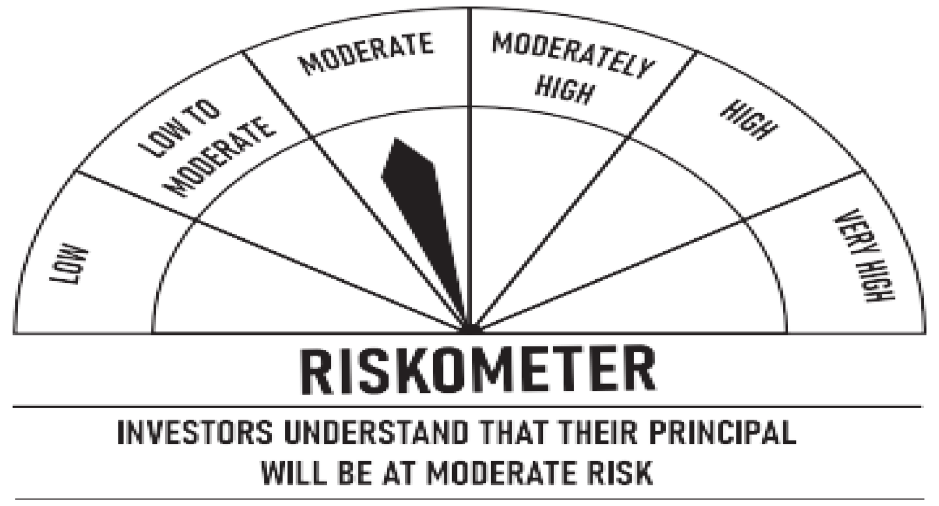
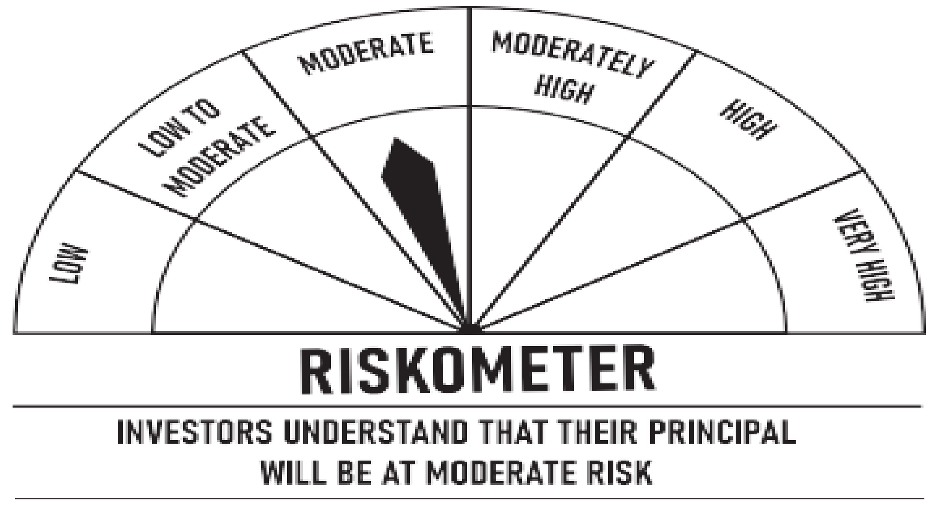
*Investors should consult their financial advisors if in doubt about whether the scheme is suitable for them.

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 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** 

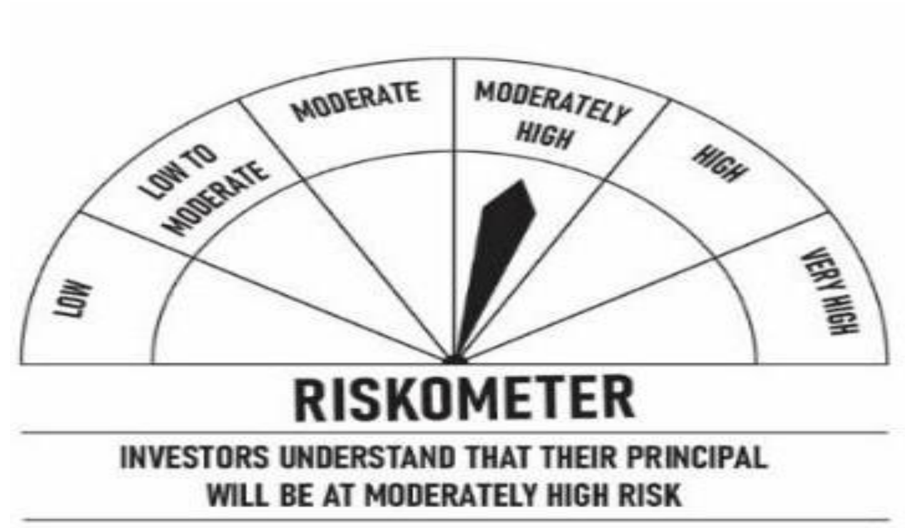
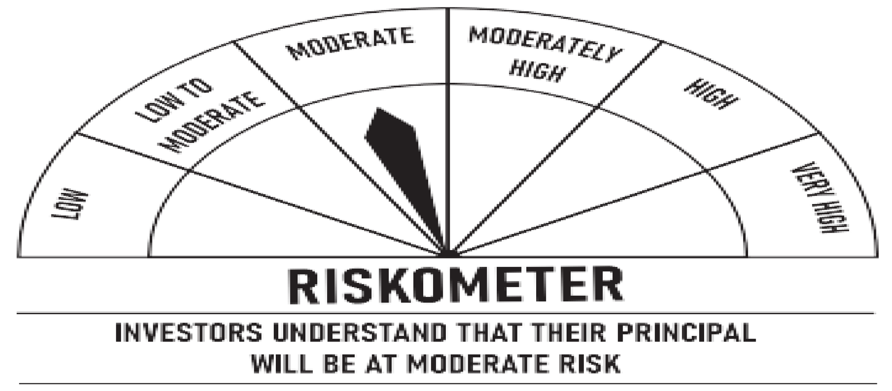
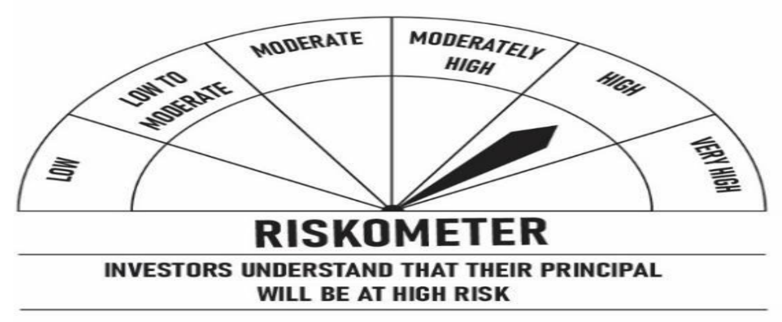
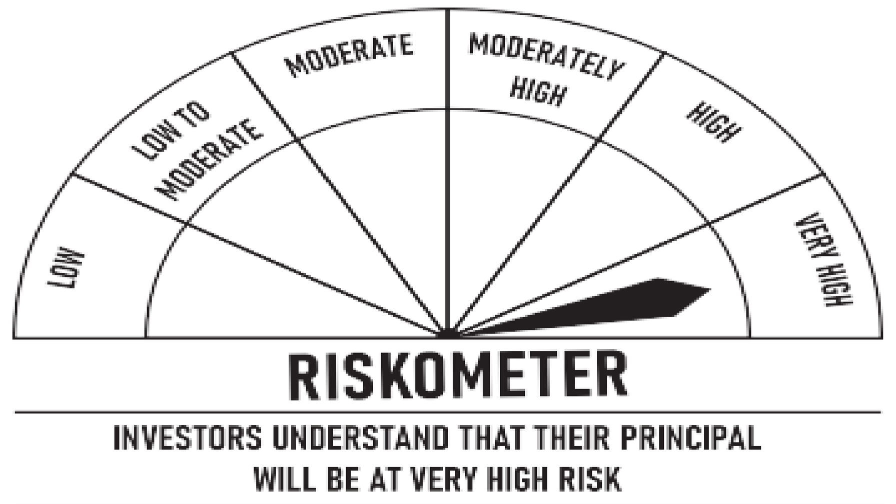
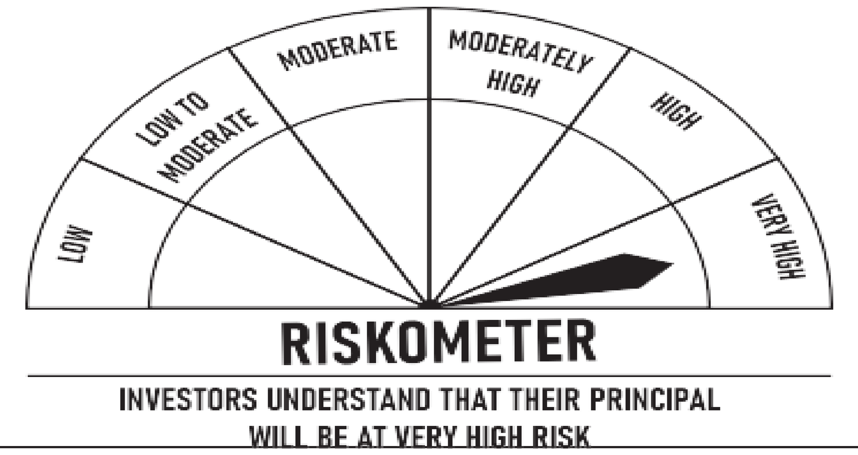
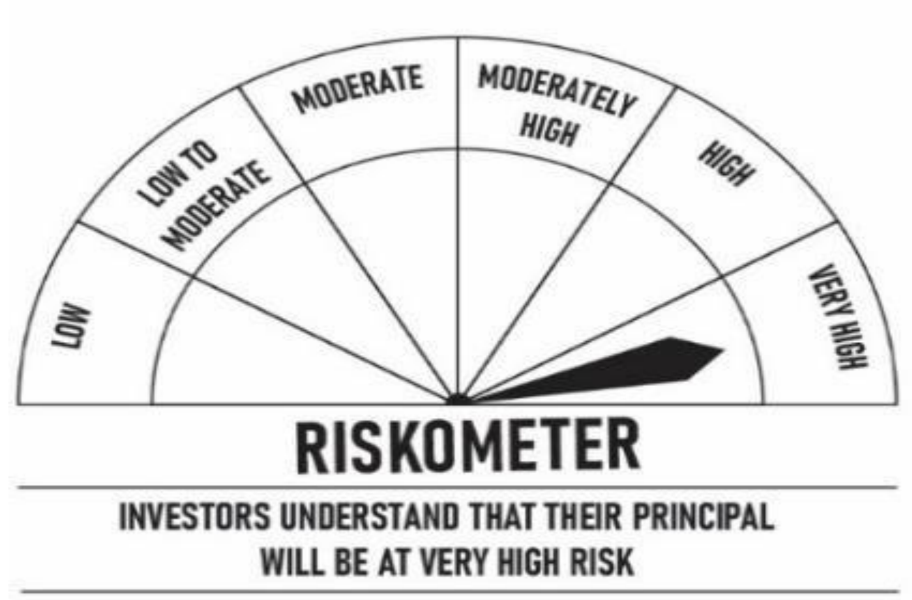
*Investors should consult their financial advisors if in doubt about whether the scheme is suitable for them.

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 (An 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 (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 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** 

Note: W.e.f. June 01, 2024; there is change in benchmark of DSP Quant Fund from 'S&P BSE 200 TRI' to 'BSE 200 TRI'.
*Investors should consult their financial advisors if in doubt about whether the scheme is suitable for them.

Product labelling & Riskometer

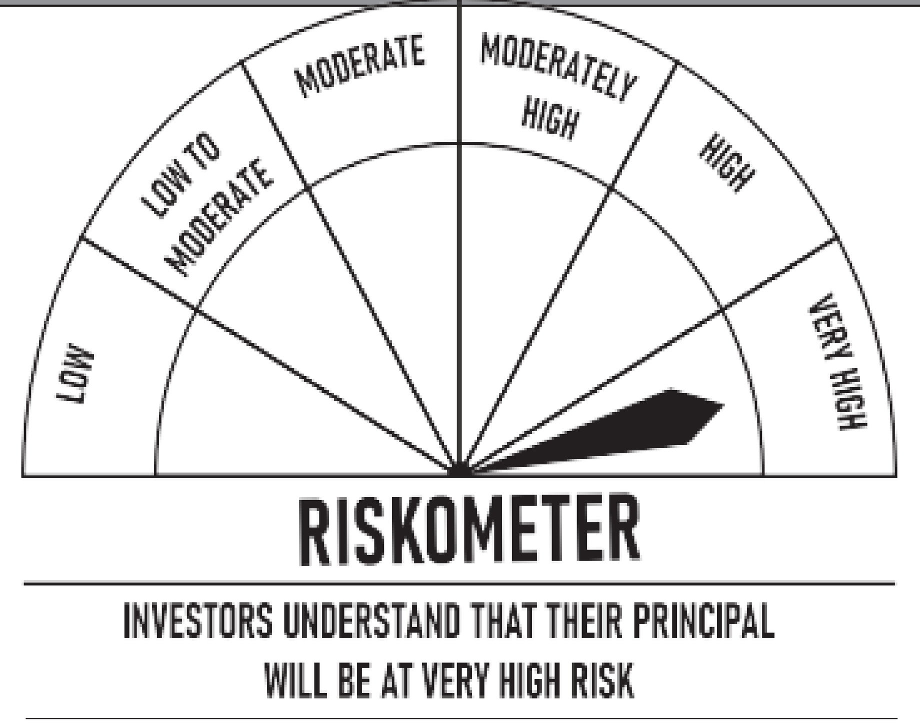
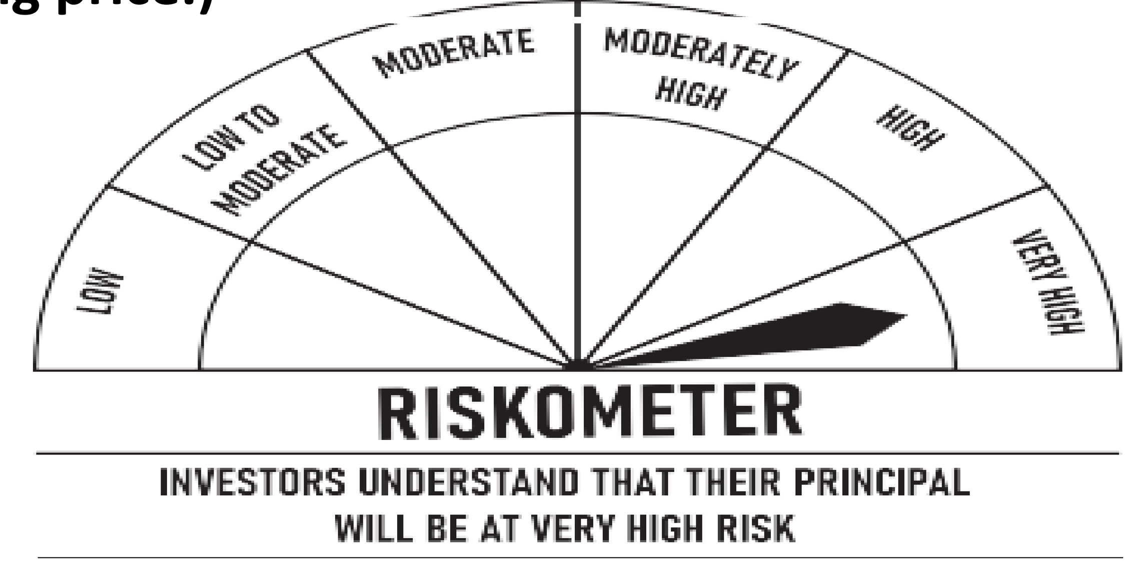
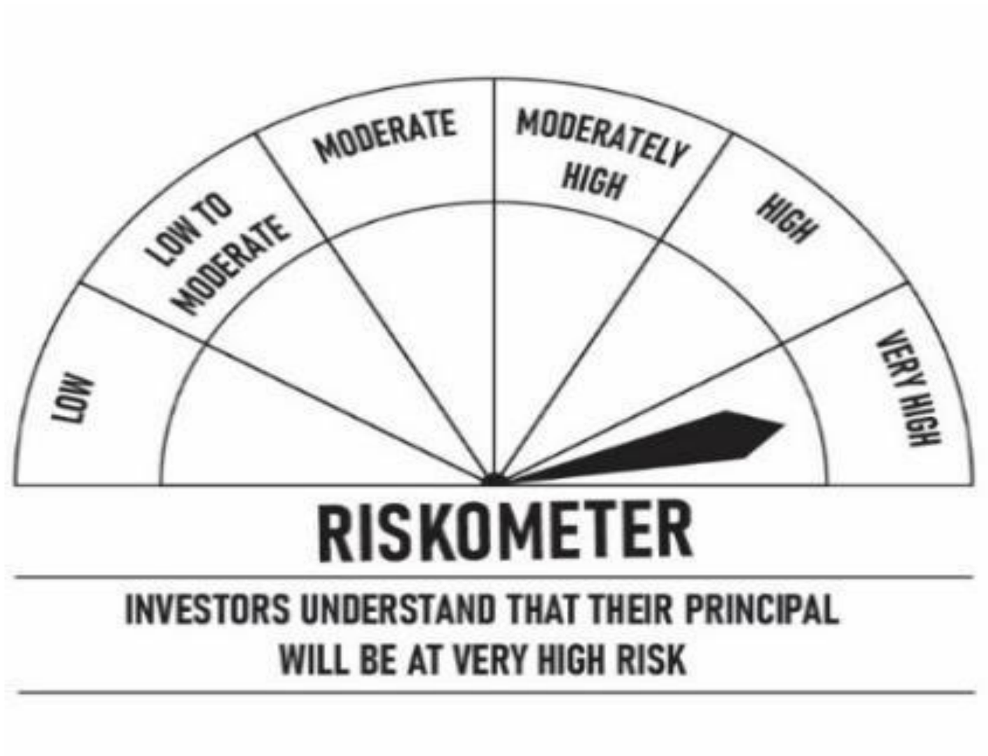
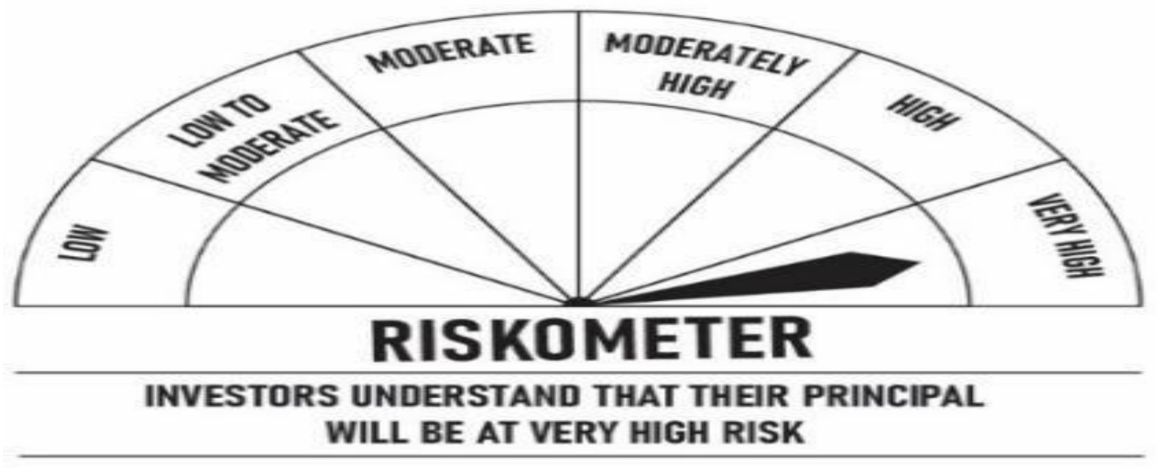
Scheme	Product Suitability	Riskometer of the Scheme	Riskometer of Benchmark
DSP Equity Savings Fund (An open ended scheme investing in equity, arbitrage and debt)	This Scheme is suitable for investors who are seeking* •Long term capital growth and income •Investment in equity and equity related securities including the use of equity derivatives strategies and arbitrage opportunities with balance exposure in debt and money market instruments		**Nifty Equity Savings Index TRI** 
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)** 
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 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 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)** 

Note: W.e.f. June 01, 2024; there is change in benchmark of DSP Top 100 Equity Fund from 'S&P BSE 200 TRI' to 'BSE 200 TRI'.
*Investors should consult their financial advisors if in doubt about whether the scheme is suitable for them.

Product labelling & Riskometer

<table>
<tr><th>Scheme</th><th>Product Suitability</th><th>Riskometer of the Scheme</th><th>Riskometer of Benchmark</th></tr>
<tr>
<td>DSP Silver ETF

An open ended exchange traded fund replicating/tracking domestic prices of silver</td>
<td>This product is suitable for investors who are seeking*

• Portfolio diversification through asset allocation.
• Silver exposure through investment in physical silver</td>
<td>
</td>
<td>Domestic Price of Physical Silver (based on London Bullion Market association (LBMA) Silver daily spot fixing price.)

</td>
</tr>
<tr>
<td>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</td>
<td>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</td>
<td>
</td>
<td>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

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</tr>
</table>

*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

<table>
<tr><th>Scheme names</th><th>Potential Risk Class Matrix (PRC Matrix)</th></tr>
<tr><td>DSP Savings Fund</td><td>
<table>
<tr><th colspan="4">Potential Risk Class</th></tr>
<tr><td>Credit Risk →
Interest Rate Risk ↓</td><td>Relatively Low (Class A)</td><td>Moderate (Class B)</td><td>Relatively High (Class C)</td></tr>
<tr><td>Relatively Low (Class I)</td><td>-</td><td>B-I</td><td>-</td></tr>
<tr><td>Moderate (Class II)</td><td>-</td><td>-</td><td>-</td></tr>
<tr><td>Relatively High (Class III)</td><td>-</td><td>-</td><td>-</td></tr>
</table>
</td></tr>
<tr><td>DSP Short Term Fund</td><td>
<table>
<tr><th colspan="4">Potential Risk Class</th></tr>
<tr><td>Credit Risk →
Interest Rate Risk ↓</td><td>Relatively Low (Class A)</td><td>Moderate (Class B)</td><td>Relatively High (Class C)</td></tr>
<tr><td>Relatively Low (Class I)</td><td>-</td><td>-</td><td>-</td></tr>
<tr><td>Moderate (Class II)</td><td>A-II</td><td>-</td><td>-</td></tr>
<tr><td>Relatively High (Class III)</td><td>-</td><td>-</td><td>-</td></tr>
</table>
</td></tr>
</table>

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	-	-

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