

# DSP INDIA EQUITY FUND

This is a marketing communication. Please refer to the prospectus of the UCITS and to the KIID before making any final decisions. This document is intended only for professional clients and / or qualified investors.

# DSP

## ASSET MANAGERS

### INVESTMENT STRATEGY

The investment objective of the DSP India Equity Fund ("Fund") is to achieve long term capital appreciation from a portfolio that is substantially constituted of equity and equity related securities of mid cap and small cap companies.

### PERFORMANCE TRACK RECORD

Past performance does not predict future returns

USD CAGR Performance as on 31 August 2023	YTD 30-Dec-22	1-Year 30-Aug-22	3-Years 31-Aug-20	5-Years 31-Aug-18	8-Years 31-Aug-15	10-Years 30-Aug-13	Since Inception 14-Nov-06
DSP India Equity Fund	17.42%	10.40%	-	-	-	-	-
DSP Strategy	-	-	15.97%	9.65%	10.96%	18.87%	10.94%
Average India UCITS fund	9.80%	5.11%	12.86%	5.87%	7.44%	11.45%	6.39%
MSCI India USD	6.19%	1.33%	14.54%	7.40%	8.60%	10.53%	6.13%
20:80 Composite Index	21.87%	16.37%	24.41%	10.14%	11.43%	16.51%	7.43%

Source: Internal.

### KEY FUND

#### CHARACTERISTICS

Fund: DSP India Equity Fund

Fund Structure: UCITS ICAV (Sub Fund of DSP Global Funds ICAV)

Investment Manager: DSP Asset Managers Private Limited

Fund Manager: Vinit Sambre

Investment Area: India Equities

Total Firm Assets (DSP Asset Managers): ~\$18.5 bn as of 31 August 2023

Total Sub Fund Assets: ~\$15 mn as of 31 August 2023

Strategy AUM: ~US\$ 1,835 mn as of 31 August 2023

Share Class: Seed Class

Launch Date: 15 March 2021

Base currency: USD

Currency Classes: Available USD and EUR

Domicile: Ireland, Dealing Day (DD): Daily

Notice (Subscription Redemption): 10:00 am (Irish time) on the relevant DD

Website, Prospectus and KIID : <https://www.dspindia.com/ucits>

Settlement (Subscription): After 5 business days from DD

Settlement (Redemption): Within 5 business days from DD

Management Company: KBA Consulting Management Limited

Auditors and Tax Advisors: Grant Thornton

Legal Advisor to the ICAV as to Irish law: Zeidler Legal Services

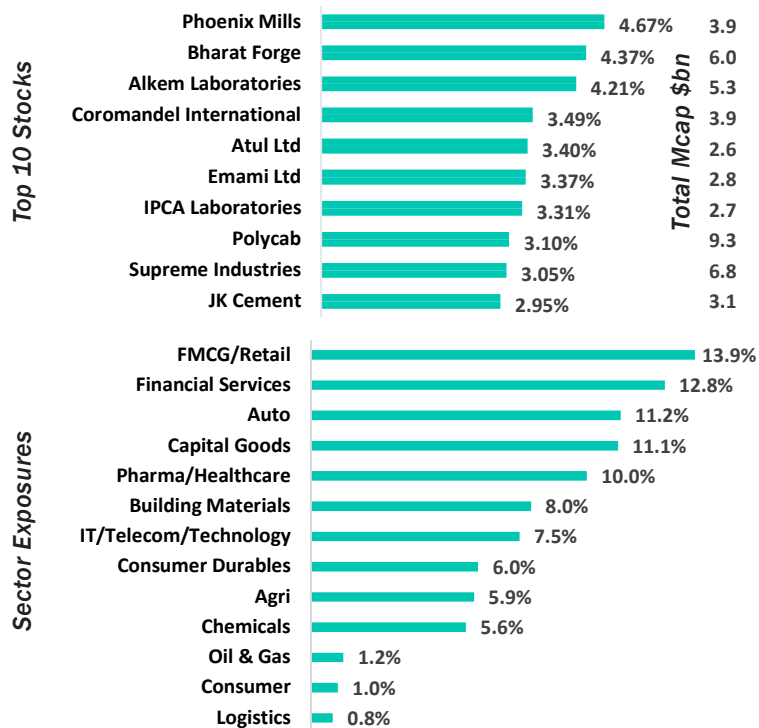
Global Distributor: DSP Global Services (Mauritius) Limited

Administrator: HSBC Securities Services (Ireland) DAC

ISIN: IE00BK0WZ337

Bloomberg Ticker: DSPIESU ID EQUITY

### PORTFOLIO CHARACTERISTICS



Portfolio Metrics**	FY23	FY24E	FY25E
EPS Growth	6%	30.12%	23.59%
P/BV	7.0	6.7	5.7
P/E (x)	42.5	35.7	28.9
ROE	16%	18%	19%

Fund Construct	Details
Number of Stocks	54
Portfolio Turnover (last 12m)	23% (for DSP Strategy)
Cap-wise split (for DSP Strategy)	Small Cap – 65.14%, Mid Cap – 24.55%, Large Cap – 5.24%, Cash – 5.07%

\*\*The portfolio metrics displayed are estimates of the anticipated development of the portfolio holdings when measured against certain metrics. Some computations may also have extreme values removed from the calculations. These estimates are not intended to be an estimate or representation of future performance of the fund. The investment which is herein promoted concerns the acquisition of shares in a UCITS fund and not in a given underlying asset such as shares of a company as these are only the underlying assets owned by the fund. The Fund is actively managed by the Investment Manager without reference to a benchmark index. Note: S.I. is Since Inception of DSP Strategy. The 'average India UCITS returns' refers to the average returns of all India focused UCITS equity funds listed on Bloomberg. The Custom 20:80 Composite Index, the benchmark for the ICAV is a customized 20% MSCI India Index and 80% MSCI India Small Cap Index. It is not possible to invest directly in an index. Past performance is not a reliable indicator of future results. The Fund is subject to capital gain tax in India. #Please note that investment managers are awaiting approval from home regulator for the re-introduction of the seed capital of USD 3M (expected in the next few days) which will be added to the existing AUM of the Fund.

\*THE DSP STRATEGY HAS BEEN IMPLEMENTED SINCE 14 NOV 2006, AUM ~US\$ 1.8 BN, AS ON 31 AUGUST 2023 THROUGH CERTAIN PRODUCTS MANAGED BY DSP ASSET MANAGERS PVT. LTD., WHICH ARE NOT AVAILABLE FOR INVESTMENT IN ANY JURISDICTION EXCEPT FOR INDIA.

## FUND MANAGER COMMENTARY

## ASSET MANAGERS

In YTD 2023, the DSP India Equity Fund (+17.42%) outperformed the average India dedicated fund (+9.80%) by ~7.60% and outperformed the MSCI India index USD (+6.19%) by ~11.23%. We remain completely bottom-up in our approach and our portfolio positions have stacked up well.

Last month we added a new positions i) Page Industries, a value driven manufacturer of world class brands like Jockey and Speedo. We have exited APL Apollo Tubes as price targets were achieved.

### Attribution summary for the month of August 2023:

Contributors		Detractors	
Sectors	Active weight	Sectors	Active weight
Consumer Staples	1.38	Health Care	1.70
Materials	1.99	Consumer Discretionary	7.33
Information Technology	-3.14	Industrials	-4.22
Stocks	Active weight	Stocks	Active weight
Supreme Industries Limited	2.86	Balkrishna Industries Limite	2.47
Bharat Forge Ltd	3.94	Alkem Laboratories Ltd.	4.54
Emami Limited	2.90	Hero Motocorp Limited	1.35

## Earnings Spotlight

- **Phoenix Mills** reported ~18% YoY consumption growth last quarter. This growth stemmed from higher consumption at existing malls and the opening of new malls in Indore and Ahmedabad. Robust hospitality business performance led to a remarkable ~52% YoY increase in EBITDA. The company is set to continue its earnings growth with the launch of two new malls in Bengaluru and Pune and has a promising pipeline of retail and commercial assets for medium-term growth.
- **Bharat Forge** achieved all time high revenue growth of ~20% YoY lead by both domestic and export market. The outlook remains positive backed by strong growth in the existing business and growth opportunities in new businesses like defence, aerospace and EV.
- **Alkem Laboratories** revenue growth was ~15% YoY on the back of healthy product mix. Going forward, India sales to grow in single-digit (~65% of sales) from earlier guided double-digit growth. Management expects exports revenue growth momentum to continue in CY24.
- **Coromandel International** reported a decent quarter in a demand environment worsened by late onset of monsoon leading to poor sowing in 2QCY23. It remains one of the better performer in the fertilizer segment as it is well placed to benefit from shift in Indian fertilizer consumption from Urea (mainly Nitrogen) to complex fertilizers (NPKS). It also benefits from the newly developed Nano-DAP using cutting edge indigenous technology.
- **Atul Limited's** earnings were weak with adjusted EPS down ~46% YoY. Competition from China too has been a factor impacting volumes and realizations and it is unclear how long these competitive pressures may linger. In this backdrop, expected earnings to remain under pressure in the near term.
- **Polycab** reported ~42% YoY revenue growth majorly supported by volume growth in C&W division. Revival in private as well as state government capex supported by Central government's infrastructure push led to robust demand environment. The current revenue growth is also a function of multi-year high residential sale and uptick in real estate development. Growth in international business was mainly due to demand in USA, Europe and Australia from sectors like Renewables and Oil & Gas. Polycab maintains its focus on cables business in the international market due to higher competitive intensity in wires business. However, it will look forward to entering wires market in the premium segment.

### AVAILABLE SHARE CLASSES

Share Class	CCY	Distribution Policy	Launch Date	Initial Offer Price	Minimum Holding	Minimum Initial Subscription	Redemption Fee
Seed Class*	USD	Accumulation	15 March 2021	10 USD	1,000,000 USD	1,000,000 USD	None
Class A Unhedged	USD	Accumulation	18 August 2021	10 USD	1000 USD	1000 USD	None

\*The Seed Class will be open for subscriptions until the Class reaches US\$50 million in net assets or such other period as may be determined by the Directors.

^THE DSP STRATEGY HAS BEEN IMPLEMENTED SINCE 14 NOV 2006, AUM ~US\$ 1.8 BN, AS ON 31 JULY 2023 THROUGH CERTAIN PRODUCTS MANAGED BY DSP ASSET MANAGERS PVT. LTD., WHICH ARE NOT AVAILABLE FOR INVESTMENT IN ANY JURISDICTION EXCEPT FOR INDIA.

### MARKET UPDATE

India's 2QCY23 earnings season concluded with MSCI India's profits growing by ~48% YoY, surpassing expectations by ~8pp led by energy, banks, and autos. Earnings are tracking ~52% of full-year CY23 estimates, ~4pp above average. Non-financial revenue growth moderated to ~4%, dragged down by commodities, in line with expectations. Net profit margin improved annually ~340bp YoY. The average EPS surprise was ~6%, driven by more companies beating on margins than on sales. Positive surprises were strongest in commodity cyclicals (metals and energy), while telecom and Infotech lagged. Earnings sentiment improved, with upgrades outnumbering downgrades. Aggregate CY23 earnings were upgraded by ~1% during the reporting season, EPS growth expected at ~18% for CY23 and ~16% for CY24.

In YTD23, MSCI India Index USD returned ~5.3% vs. MSCI EM ~2.5% and MSCI DM ~14.7%. FIIs have bought ~US\$17bn YTD alongside DIIs have bought ~US\$13bn YTD. FIIs have favored domestically oriented sectors. After 5 years of decline, FII ownership in Midcaps has increased sharply this year (~+175bp) to ~16% but remains below prior highs. MSCI India (~19.4, 2YF) is now trading at ~1.2SD above MSCI EM and DM, slightly above its long-term averages.

#### Hot off the press: Our analyst team's meticulous sectoral analysis post the earnings season– enjoy the highlights:

- **Banking and Financial Services:** Vigorous loan growth for mid-sized and some large banks, along with strong NBFC performance. Asset quality remains steady. Banks' trading gains offset lower recoveries. High opex for banks, while it declined on a high base for NBFCs. Keep an eye on margins weakening and credit growth sustainability.
- **Automobile:** Promising YoY volume growth across segments, while concerns persist over tractor growth due to high base and weak monsoon. Managements are optimistic on demand and margins, the global HCV cycle is subdued by weak macros. Expected rise in crude derivative price might impact tire companies' costs.
- **Consumer staples:** Companies witnessed improved gross margins YoY due to material cost corrections and previous price hikes. Rising advertisement spends are observed across the board. Urban areas continue to outpace rural regions, which are gradually improving with reduced inflation and a softer base.
- **Information Technology:** 2Q showed weakness, but a better revenue trajectory is expected ahead. IT Services companies are securing strong deals, hinting at a recovery in HY2 and further pick up in CY24 onwards. The "compressed transformation" strategy is set to drive substantial growth over the next few years, irrespective of economic shocks. Attrition is down to pre-COVID levels, with a focus on optimizing employee utilization.
- **Pharma and healthcare:** Strong US sales fueled by Revlimid, launches, and supply-demand amid shortages. Stabilizing US price erosion benefits from high drug scarcity. India's volume growth are driven by field expansion, improved margins from reduced costs, and hospital expansion with sustained ROCEs.
- **Engineering and capital goods:** Strong demand outlook in traditional and modern sectors like Power Generation, Electronics, and Railways. Margins expand through diversified products, exports, and optimal capacity utilization. Key reforms driving public capex up-cycle: Make in India, PLI scheme, green energy shift. Improved balance sheets, increased capital, and reduced receivables compared to past cycles.
- **Chemicals:** Steady farmer demand in agrochemicals; specialties and patents unscathed. Domestic demand is resilient, but the sector is weakened by inventory cuts and price falls. China's aggressive price slashing hastens destocking, impacting companies through inventory write-downs.

#### Chart of the Month: MSCI India profits grew ~48% YoY but were flat QoQ, MSCI India ex-financials sales growth ~4% YoY.

MSCI India Index		Reported Cos.		Earnings growth		Sales growth	
2Q CY24 earnings		Sector weight (%)	# of Cos.	YoY (%)	QoQ (%)	YoY (%)	QoQ (%)
Exporters	InfoTech	13%	8	11%	(6%)	12%	(0.2%)
	Healthcare	5%	9	12%	33%	18%	7%
Consumer sensitives	Consumer Disc.	11%	19	681%	(14%)	29%	2%
	Staples	10%	12	16%	11%	7%	7%
Financials	Financials	26%	20	47%	2%	-	-
Investment cyclicals	Industrials	6%	12	116%	(16%)	17%	(17%)
	Cement/Other Mat.	6%	11	(12%)	(1%)	1%	(14%)
Commodity cyclicals	Energy	13%	7	207%	9%	(6%)	(1%)
	Metals & Mining	3%	5	(67%)	(18%)	(3%)	(6%)
Telcos	Telcos	3%	2	4%	(46%)	14%	4%
Utilities	Utilities	4%	7	8%	1%	(3%)	(1%)
MSCI India		100%	114	48%	(1%)	-	-
MSCI India (ex financial)		75%	94	49%	(2%)	4%	(2%)

Chart Source: Goldman Sachs Research, Info Sources: Internal, Bloomberg, UBS Research, Goldman Sachs, FII - Foreign Institutional Investor, DII- Domestic Institutional Investor, FY - Financial Year, CY - Calendar Year; YoY is Year over Year, YTD- Year to date, EM- Emerging Markets, DM- Developed Markets, 2YF- Two Year Forward.

## REGULATORY PERFORMANCE DEPICTION

Performance In Prescribed Regulatory Format	30/Aug/2022 to 31/Aug/2023	31/Aug/2021 to 30/Aug/2022	31/Aug/2020 to 31/Aug/2021	30/Aug/2019 to 31/Aug/2020	31/Aug/2018 to 30/Aug/2019
MSCI India Index	1.33%	(3.17%)	53.15%	3.00%	(7.64%)
MSCI India Small Cap Index	20.23%	(3.03%)	75.19%	6.64%	(23.24%)
DSP Strategy	10.40%	(9.48%)	52.06%	13.78%	(10.64%)

## POTENTIAL RISKS

The value of investment in the Fund may be affected by the following risks:

- Market Risk:** The Fund can invest in equities which may be affected by market risk (the risk of an investment losing its value due to changes in economic conditions).
- Investment in India:** The Fund will invest primarily in India. India is an emerging economy and investment carries with it often substantial risks.
- Derivative and Counterparty Risk:** The Fund will enter into various financial contracts (derivatives) with other parties. There is a risk that the other party to a derivative will become insolvent or fail to make its payments which may result in the Fund and your investment suffering a loss.
- Liquidity Risk:** The Fund can be invested in financial instruments that may have low levels of liquidity.
- Currency Risk:** Changes in the exchange rate between the base currency of the Fund and the designated currency of unhedged share classes of the Fund expressed in a currency other than the base currency of the Fund may lead to depreciation in the value of the shares of that share class.

For a complete overview of all risks attached to this Fund, refer to the section entitled "Risk Factors" in the Supplement and the Fund's prospectus."

## DISCLAIMERS

In this material DSP Global Funds ICAV (the "Fund") has used information that is publicly available, including information developed in-house. Information gathered and used in this material is believed to be from reliable sources. The Fund however does not warrant the completeness of any information. The data/statistics are given to explain general market trends in the securities market, it should not be construed as any research report/research recommendation. We have included statements opinions recommendations in this document, which contain words, or phrases such as "will", "expect", "should", "believe" and similar expressions or variations of such expressions that are "forward-looking statements". Actual results may differ materially from those suggested by the forward-looking statements due to risk or uncertainties associated with our expectations with respect to, but not limited to, exposure to market risks, general economic and political conditions in India and other countries globally, which have an impact on the Fund and its investments, the monetary and interest policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, etc. The sector(s)/stock(s)/issuer(s) mentioned in this presentation do not constitute any research report/recommendation of the same and the Fund may or may not have any future position in these sector(s)/stock(s)/issuer(s). All figures and other data given in this document are as on August 31 2023 (unless otherwise specified) and the same may or may not be relevant in the future and the same should not be considered as a solicitation/recommendation/guarantee of future investments by the Fund or its affiliates.

The Fund is domiciled in Ireland. The prospectus and KIIDs for the Fund are available at DSP Global Funds ICAV, 5, George's Dock, IFSC, Dublin 1, Ireland. The prospectus is available in English and the KIIDs are available in English and Swedish. Further, a summary of investors rights (in English language) is available on Link. The Fund has appointed KBA Consulting Management Limited as its Management Company. The Swiss representative is Carnegie Fund Services S.A., having its registered office at 11, rue du Général-Dufour, 1204 Geneva, Switzerland. The Swiss paying agent is Banque Cantonale de Genève, having its registered office at 17, quai de l'île, 1204 Geneva, Switzerland. The prospectus, KIIDs, instrument of incorporation and annual and semi-annual report can be obtained from the Swiss representative, with respect to the Fund's shares that are distributed in Switzerland. The distribution of this material in certain jurisdictions may be restricted or subject to registration requirements and, accordingly, persons who come into possession of this material in such jurisdictions are required to inform themselves about, and to observe any such restrictions.

The S&P BSE 100, S&P BSE 200, S&P BSE Small Cap, S&P BSE Teck S&P, BSE Metals, S&P BSE Oil and Gas, S&P BSE Healthcare S&P BSE SENSEX are product of Asia Index Private Limited, which is a joint venture of S&P Dow Jones Indices LLC or its affiliates ("SPDJI") and BSE, and has been licensed for use by DSP Asset Managers Pvt Ltd. Standard Poor's® and S&P® are registered trademarks of Standard Poor's Financial Services LLC ("S&P"); BSE® is a registered trademark of BSE Limited ("BSE"); and Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC ("Dow Jones") © Asia Index Private Limited 2014. All rights reserved. Large-caps are defined as top 100 stocks on market capitalization, mid-caps as 101-250 small caps as 251 and above as per the Indian regulator i.e., Securities and Exchange Board of India.

Within the European Economic Area ("EEA"), and the United Kingdom, this document is intended for professional clients only, as that term is defined in Directive (EU) 2014/65 ("MiFID II") and section 3.5.2 of the Conduct of Business Sourcebook of the Financial Conduct Authority Handbook, respectively. Within Switzerland, it is intended only for qualified investors, as that term is defined in the Collective Investment Schemes Act of 23 June 2006, as amended from time to time.

None of the information contained in this document is intended to be published or made available in any jurisdiction where to do so would result in the breach of any applicable law or regulation in that jurisdiction. Under no circumstances should any information contained herein be considered as distribution or offering of shares in the Fund referred to in this document in any jurisdiction in which it would be unlawful to do so without registering the Fund or complying with other legal requirements. In any such jurisdiction, a recipient of this document or any accompanying material may not treat either as an invitation to subscribe for shares, nor should that recipient submit a subscription request.

Within the European Economic Area ("EEA"), and the United Kingdom, this document is intended for professional clients only, as that term is defined in Directive (EU) 2014/65 ("MiFID II") and section 3.5.2 of the Conduct of Business Sourcebook of the Financial Conduct Authority Handbook, respectively. Within Switzerland, it is intended only for qualified investors, as that term is defined in the Collective Investment Schemes Act of 23 June 2006, as amended from time to time.

None of the information contained in this document is intended to be published or made available in any jurisdiction where to do so would result in the breach of any applicable law or regulation in that jurisdiction. Under no circumstances should any information contained herein be considered as distribution or offering of shares in the Fund referred to in this document in any jurisdiction in which it would be unlawful to do so without registering the Fund or complying with other legal requirements. In any such jurisdiction, a recipient of this document or any accompanying material may not treat either as an invitation to subscribe for shares, nor should that recipient submit a subscription request.

Notwithstanding the above, should an investor contact the fund manager, or any of its agents on its own exclusive initiative, with the intention to subscribe for shares in the Fund, the fund manager provide all necessary information about the Fund and consider such subscription request, it being understood, however, that no other information shall be provided outside of the scope of the investor's original request. Where doing so would result in the breach of any applicable law or regulation in a given jurisdiction, the is entitled to refuse to provide information in response to such a request. Prospective investors should inform themselves as to the legal requirements and tax consequences within the countries of their citizenship, residence, domicile and place of business with respect to the acquisition, holding or disposal of shares, and any foreign exchange restrictions that may be relevant thereto.

This document is confidential and is intended solely for the use of the person or persons to whom it is given or sent and may not be reproduced, copied or given, in whole or in part, to any other person. The information is expressed at its date. Investors should note that the Management Company may, in accordance with Article 93a of Directive 2009/65/EC (the UCITS Directive), decide at any time to terminate the arrangements made for the marketing of the Fund in any country where it has been notified for marketing.

**Disclaimer: Investments in funds are subject to risk Past performance is no guarantee of future returns The money invested in a fund can increase and decrease in value and there is no guarantee that you will get back the full amount invested**

**\*THE DSP STRATEGY HAS BEEN IMPLEMENTED SINCE 14 NOV 2006, AUM ~US\$ 1.8 BN, AS ON 31 AUGUST 2023 THROUGH CERTAIN PRODUCTS MANAGED BY DSP ASSET MANAGERS PVT. LTD., WHICH ARE NOT AVAILABLE FOR INVESTMENT IN ANY JURISDICTION EXCEPT FOR INDIA.**