



## **DSP Global Funds ICAV**

An Irish collective asset-management vehicle constituted as an umbrella fund with variable capital and segregated liability between Sub-Funds with registration number C187693 and authorised by the Central Bank of Ireland pursuant to the Irish Collective Asset-Management Vehicles Act 2015 (as amended), the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (as amended) and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48 (1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019.

### **Annual Report and Audited Financial Statements**

#### **For the year ended 30 June 2021**

## **DSP Global Funds ICAV**

### **TABLE OF CONTENTS**

	<b>Page</b>
General Information	2
Investment Manager's Report	4
Directors' Report	7
Depository Report to the Shareholders	11
Independent Auditor's Report to the Shareholders	12
Statement of Financial Position	15
Statement of Comprehensive Income	16
Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares	17
Statement of Cash Flow	18
Notes to the Financial Statements	19
Schedule Of Investments	40
Schedule of Changes in Investments (Unaudited)	42
Other Additional Disclosures (Unaudited)	
UCITS V Remuneration Disclosure (Unaudited)	43

## DSP Global Funds ICAV

### GENERAL INFORMATION

#### DIRECTORS

Pat O'Donoghue\*^  
Stephen Finn\*  
Pramodprakash Singh\* (appointed 3 September 2021)  
James Leighton\*^ (appointed 6 September 2021)

#### REGISTERED OFFICE

5 George's Dock  
IFSC  
Dublin 1  
D01 X8N7  
Ireland

#### MANAGER

KBA Consulting Management Limited  
5 George's Dock  
IFSC  
Dublin 1  
D01 X8N7  
Ireland

#### INVESTMENT MANAGER

DSP Investment Managers Pvt. Ltd.  
10th Floor, Mafatlal Centre, Nariman Point  
Mumbai  
Maharashtra  
400 021 India

#### DEPOSITARY

HSBC Continental Europe\*\*  
1 Grand Canal Square  
Grand Canal Harbour  
Dublin 2  
Ireland

#### GLOBAL DISTRIBUTORS

Thornbridge Investment Management LLP  
(resigned 3 September 2021)  
13 Austin Friars  
London, EC2N 2HE  
United Kingdom

DSP Global Services (Mauritius) Limited  
(appointed 18 August 2020)  
No. 62, ICT Avenue, 11 Floor, Suite 1110  
The Core, Cybercity  
Ebene  
Mauritius

#### ADMINISTRATOR, REGISTRAR AND TRANSFER AGENT

HSBC Securities Services (Ireland) DAC  
1 Grand Canal Square  
Grand Canal Harbour  
Dublin 2  
D02 P820  
Ireland

\*Non-executive

^Independent

\*\* HSBC France, Dublin Branch changed its name to HSBC Continental Europe with effect from 1 December 2020.

## DSP Global Funds ICAV

### GENERAL INFORMATION (continued)

<b>SECRETARY</b>	Clifton Fund Consulting Limited 5 George's Dock IFSC Dublin 1 D01 X8N7 Ireland
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<b>INDEPENDENT AUDITORS</b>	Grant Thornton 13-18 City Quay Dublin 2 D02 ED70 Ireland
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<b>LEGAL ADVISER as to Irish Law</b>	<i>From 11 November 2020</i> Zeidler Legal Services 5 Mount Street Lower Dublin 2 D02 VP68 Ireland  <i>Up to 11 November 2020</i> Dillon Eustace 33 Sir John Rogerson's Quay Dublin 2 D02 XK09 Ireland
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## DSP Global Funds ICAV

### INVESTMENT MANAGER'S REPORT

During this period, the MSCI India USD Index was up ~4.74% while the MSCI India Small Cap USD Index was up ~10.26%. These healthy returns belie a tumultuous period under the placid surface. It was in the April 2021 earnings season that most investors were keen to assess the kind of demand seen by companies – whether sustainable, or just reflecting a rapidly reopening economy after Covid wave 1. However, from a trough of ~10k new cases a day, India in its second and devastating Covid wave in Apr-May'21, ended up recording >400k cases per day and ~3500 deaths - ~3-4x that of the first wave peak in Sep'20. India's second COVID wave was all over the media – both local and international. The headlines and the situation on-ground were both grim. As some rightly described it, this is a global tragedy – and until everyone is safe, no one is safe.

By the end of June 2021 however, daily cases dropped to ~45k, while deaths were sub-1k. The active cases have declined by a substantial 85% from the early-May peak of the second wave with some states showing a 98%-99% fall from their respective peaks. Seen from another perspective, the active cases at ~500k, is only 0.03% of the 1.3bn population. Mobility data suggests activity is still ~20% lower than the post-Covid-19 peak seen in Mar 2021. This is because most state governments have been cautious in relaxing restrictions while also focusing on ramping up their vaccination drives. Speaking of which, the govt.'s new vaccination policy has now smoothened out the distribution of vaccines to states. Consequently, the 7-day moving average of daily doses administered now stands at ~5mn doses versus 2.5mn as of May-end. Nearly 330mn vaccine doses have been administered so far – i.e. ~20.7% of India's population have received their first dose, while ~4.5% are fully vaccinated.

The Nifty 50 Index trades at ~21.8x FY22e and ~18.5x FY23e PE multiple on our current numbers, and estimates a 34% and 18% EPS growth for FY22/21 and FY23/22 respectively. As we have been maintaining for several months now, purely on valuation multiples, the market is not cheap – and previously depressed earnings must catch up to support these levels. However, it appears that the flip side to the pandemic is that it has unearthed many efficiencies viz. deleveraging, cost rationalization and ROE improvements. Our analyst team just completed a detailed exercise to evaluate the financial health of corporate India. They studied and compared the top 500 listed companies between FY21 (results just out over the last few weeks) and FY19. Highlights below:

- Topline: Revenue decline of ~4% on a 2yr CAGR basis was better than the anticipated double-digit decline. Energy, Consumer discretionary and Industrials were among the large sectors reporting negative revenue growth, while positive contributors were utilities, staples and materials.
- Margins: The margin profile improved across several sectors in the universe as the companies focused on cost rationalization and curtailed some discretionary expenses. The margins expansion and lower interest cost resulted in ~6% profit-after-tax growth for the universe (ex- financials).

**INVESTMENT MANAGER'S REPORT (continued)**

- Deleveraging: Incremental cash generation helped deleverage the balance sheet. In most sectors, this was granular and broad-based. Overall net debt reduction was >30% for the universe. This is reflected also when seen from a net debt/equity perspective.
- Working capital cycles reduced after peaking in 3QFY21 and selective improvement in ROE was visible in some sectors such as materials, healthcare and utilities.
- Financials: In the financials sector, both Banks and NBFCs reported double digit Net Interest Income (NII) and pre-operating profit before provisioning (PPOP) growth. Provisioning in these sectors reduced sharply in 2HFY21 owing to adequate buffers and lower stress than anticipated.
- Overall, the trends in 4QFY21 indicate normalization but are not necessarily conclusive. Recurrence of discretionary expenses and impact of commodity price inflation will be key to monitor

**Outlook (as on 30 Jun 2021)**

As mentioned above, the markets are not cheap. However, there are aspects the country offers to investors, which few others can.

1. Growth: For a world chasing growth, perhaps no other country can offer this at scale like India. ~1.35bn population, >400mn millennials, one of the youngest workforces, and the country's per capita income is low at ~US\$ 2k and poised to grow. Many categories are still under-penetrated, and our bottom-up work comparing across countries and categories shows us that double-digit mid-teens CAGR growth runway exists for a few decades at the very least. We think a combination of demand recovery, consolidation (market leaders taking share), pricing power, deleveraging and operating leverage in the coming quarters /years can be quite potent.
2. Digital transformation: A combination of Aadhaar (unique biometric ID), bank account and mobile phones has catapulted the digitalization of the country. Not just new age tech companies, but even old age companies are getting tech savvy at breakneck speed not only to survive but also thrive. Lowest data costs in the world (<10cents/GB) is jumpstarting the economy like never before, leading to consumption booms across sectors. Many new IPOs are slated to hit the market including new tech companies, potentially increasing not just market-cap, but also India's weight in MSCI Indices, setting the stage for further foreign inflows.
3. Structural reforms in place: Goods & Services Tax, Labour reforms, Insolvency & Bankruptcy Code, Digitization (via DeMonetization), Agri reforms, real-estate regulations, SOE privatisation and many more. Everything is not perfect of course, but much of the tough decision making has already happened. The country also has one of the most stable currencies in the EM world and firepower to prevent a sudden depreciation has only increased. The central bank has USD reserves topping 600bn, up 30%+ since Covid first hit in March'20.
4. An alternative to China: Stable politics in India, very low regulatory intervention, de-risking of supply chains, the govt.'s aim to grow manufacturing through private participation (PLI scheme Production Linked Incentive – ~US\$ 30bn outlay for 13 focus sectors over the next 4-5 years), divestments of govt. holdings to private sector, asset monetization etc. are all positives. Also with ~20% CYTD21 growth in market cap to US\$ 3 tn, the Indian market is now the 8th largest globally, and hence should not be ignored.

INVESTMENT MANAGER'S REPORT (continued)

Outlook (as on 30 Jun 2021) (continued)

5. Capex uptick: After nearly flat private sector capex over the last 10 years, the investment cycle has likely bottomed out. Investment contribution to GDP has fallen from a 36% peak in FY07 to 26% in FY21. Only govt. capex has supported infra spending at around 13-14% CAGR FY10-20. The building blocks of a new investment cycle are in place now though – significant deleveraging, reduction in bad loans in banks' books, low cost of funds, lowest corporate tax rate at 15% for new manufacturing - to point out a few. We've already seen some capex announcements by cement and metal companies, and also expect new drivers like automation, data centres, PLI scheme beneficiaries etc.
6. Covid worries behind us: Given the improving rate of vaccination, with a concerted effort, ~90% of India's adult population can be covered with a single dose by mid-Oct, and by yearend with double doses. The market has likely moved past Covid worries as also seen in the second wave, given many industries (and people) learned to cope very well despite local level lockdowns. All these factors, among other things, keep us optimistic on the country's prospects going forward.

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## DSP Global Funds ICAV

### DIRECTORS' REPORT

*For the year ended 30 June 2021*

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The Directors present their report for DSP Global Funds ICAV (the "ICAV"), and audited financial statements for the financial year ended 30 June 2021.

#### **Principal activities, business review & future prospects**

The ICAV was incorporated as an Irish collective asset-management vehicle constituted as an umbrella fund with segregated liability between sub-funds with registration number C187693 and authorised by the Central Bank of Ireland (the "Central Bank") pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (as amended) (the "UCITS Regulations") and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48 (1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019 (the "Central Bank UCITS Regulations").

The ICAV is organised in the form of an umbrella fund with segregated liability between sub-funds (together, the "Sub-Funds"). The Instrument of Incorporation provides that the ICAV may offer separate Sub-Funds. Each Sub-Fund will have a distinct portfolio of investments. The ICAV has obtained the approval of the Central Bank for the establishment of the Sub-Funds set out below. Information specific to a Sub-Fund will be set out in a separate Supplement to the Prospectus.

As at the date of this report the ICAV comprised of two Sub-Funds - DSP India Equity Fund and DSP India Bond Fund.

The investment objective of DSP India Equity Fund is to seek long-term capital appreciation from a portfolio that is substantially constituted of equity and equity related securities of mid cap and small cap companies. The Sub-Fund has commenced operations from 15 March 2021.

The investment objective of the DSP India Bond Fund is to provide long term total return by investing primarily in a portfolio of Indian bonds and other similar fixed income securities. As at 30 June 2021, the Sub-Fund has not yet commenced operations.

A detailed business review is included in the Investment Manager's Report on pages 4 to 5.

#### **Principal risks and uncertainties**

Investment in the ICAV carries with it a degree of risk including, but not limited to, the risks referred to in the prospectus of the ICAV dated 9 March 2021 (the "Prospectus"). Risks arising from financial instruments are detailed in note 8 to the financial statements.

The Board has also noted the operational risks that are posed to the sub-funds and their service providers due to global and local movement restrictions that have been enacted by various governments due to the COVID-19 pandemic. The COVID-19 pandemic is an unprecedented event and the eventual impact on the global economy and markets will largely depend on the scale and duration of the outbreak. The Board is continuously monitoring this situation.

#### **Financial position, results and dividends**

The financial position as at the financial year end and results for the financial year are shown in the Statement of Financial Position and Statement of Comprehensive Income on page 14 and 16 respectively. The Board of Directors may declare at its discretion, dividends in respect of each distribution share class of each Sub-Fund. For the year ended 30 June 2021, the ICAV did not pay any dividends to the shareholders.

#### **Directors**

The Directors of the ICAV are detailed on page 2.

#### **Directors' and ICAV Secretary's interests**

None of the Directors nor the ICAV Secretary or their respective families held any interest, beneficial or otherwise, in the share capital of the ICAV during or at the end of the financial year.



## DSP Global Funds ICAV

### DIRECTORS' REPORT (continued)

*For the year ended 30 June 2021*

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#### Directors' and ICAV Secretary's interests (continued)

Other than those disclosed in notes 6 and 10 to the financial statements, the Board of Directors are not aware of any contracts or arrangements of any significance in relation to the business of the ICAV in which the Directors had any interest at any time during the year ended 30 June 2021.

#### Accounting Records

The measures taken by the Directors to secure compliance with the ICAV's obligation to keep adequate accounting records are the use of appropriate systems and procedures and the employment of competent service providers. The accounting records are kept at HSBC Securities Services (Ireland) DAC, 1 Grand Canal Square, Grand Canal Harbour, Dublin 2, D02 P820, Ireland.

#### Significant events during the financial year

DSP Global Services (Mauritius) Limited has been appointed as the DSP Global Distributor of the ICAV effective 18 August 2020.

HSBC France, the depositary of the ICAV changed its name to HSBC Continental Europe with effect from 1 December 2020.

Zeidler Legal Services replaced Dillon Eustace as Legal Adviser as to Irish Law with effect from 11 November 2020.

An updated prospectus for the ICAV was published on 23 December 2020 to incorporate the changes to the Global Distributor, Foreign Portfolio Investments (FPI) Regulations and other business activities and regulatory registrations of Investment Manager. A new prospectus was published on 9 March 2021 to incorporate Sustainable Finance Disclosure Regulation (SFDR) related requirements.

The Board had also noted the operational risks that were posed to the sub-funds and their service providers due to global and local movement restrictions that were enacted by various governments due to the COVID-19 pandemic. However, the end of 2020 also marked the introduction of various vaccines to counter the spread of the pandemic and there has been significant relaxation of travel restrictions in 2021. Despite the difficulties in rolling out a vaccine programme, various countries across the globe were successful in implementing a proper vaccination programme which helped in curbing the spread of the virus. The ICAV is invested in the Indian capital markets and the Indian Government had to accelerate its vaccination programme, which was done promptly, and this helped in curtailing the spread of the virus. The Board is continuously monitoring the situation.

DSP India Equity fund has successfully registered all its share classes with HM Revenue & Customs (UK) for entry into the Reporting Fund Regime Regulation 51 of The Offshore Funds (Tax) Regulations 2009 with effect from 31 December 2020.

On account of COVID-19 impact, the sub-fund "DSP India Equity Fund" launch got delayed and was launched on 15 March 2021. The investment strategy offered under this sub-fund is a value proposition for the investors and thus the Investment Manager is targeting to scale up the sub-Fund to at least USD 100 million in the next 12 months. This milestone is expected to accelerate the next phase of growth of the Sub-Fund.

Further in order to enhance the confidence of the investors and distributors, the Investment Manager to this sub-fund has seeded the sub-fund USD 3 million.

There were no other significant events that have occurred in respect of the ICAV during the financial period.

#### Events since the financial year end

Pramodprakash Singh and James Leighton were appointed to the Board of Directors on 3 September 2021 and 6 September 2021 respectively.

## **DSP Global Funds ICAV**

### **DIRECTORS' REPORT (continued)**

*For the year ended 30 June 2021*

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#### **Events since the financial year end (continued)**

Thornbridge Investment Management LLP resigned as a Global Distributor of the ICAV effective 3 September 2021.

There were no other significant events that have occurred in respect of the ICAV subsequent to the financial year end.

#### **Principal material changes**

There have been no material changes in the objectives and strategies of the ICAV since inception.

#### **Independent auditors**

In accordance with Section 125 of the Irish Collective Asset-management Vehicles Act 2015 (as amended) (the "ICAV Act"), the Directors have appointed Grant Thornton, Chartered Accountants and Registered Auditors, as the ICAV's auditor. Grant Thornton, have expressed their willingness to continue in office.

#### **Corporate Governance Code**

The ICAV is subject to the requirements of the ICAV Act, the UCITS Regulations and the Central Bank UCITS Regulations. The ICAV is subject to corporate governance practices imposed by:

1. The ICAV Act which is available for inspection at the registered office of the ICAV at, 5 George's Dock, IFSC, Dublin 1, D01 X8N7, Ireland; and may also be obtained: <http://www.irishstatutebook.ie/home.html>;
2. The Instrument of Incorporation of the ICAV ("the Instrument") which may be obtained at <http://registers.centralbank.ie> and is available for inspection at the registered office of the ICAV; and
3. The Central Bank UCITS Regulations which can be obtained from the Central Bank of Ireland website at: <http://www.centralbank.ie/regulation/industry-sectors/funds/Pages/default.aspx>

The ICAV has adopted the voluntary Irish Funds Industry Association (Irish Funds) Corporate Governance Code for Irish domiciled Collective Investment Schemes and Management Companies (the "IF Code"). The Board of Directors have reviewed and assessed the measures included in the IF Code and consider its corporate governance practices and procedures as consistent therewith.

#### **Connected Persons**

In accordance with the requirements of the Central Bank UCITS Regulations, all transactions carried out with a UCITS by the management company or depositary of a UCITS, and the delegate or sub-delegates of such a management company or depositary (excluding any non-group company sub-depositaries appointed by a depositary), and any associated or group companies of such a management company, depositary, delegate or sub-delegate ("connected persons") must be carried out as if negotiated at arm's length and be in the best interests of shareholders. The Directors are satisfied that there are arrangements (evidenced by written procedures) in place to ensure that the obligations set out in the Central Bank UCITS Regulations are applied to all transactions with connected persons and transactions with connected persons entered into during the year complied with the obligations set out in the Central Bank UCITS Regulations.

#### **Auditor's access to records**

In accordance with Section 128 of the ICAV Act:

1. The auditor of an ICAV shall have a right of access at all times to the ICAV's accounting records and is entitled to require from the ICAV's officers such information and explanations as they think necessary for the performance of their duties as auditors.
  2. An officer of an ICAV who knowingly makes to an ICAV's auditor a statement (whether written or oral) which:
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## DSP Global Funds ICAV

### DIRECTORS' REPORT (continued)

For the year ended 30 June 2021

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#### Auditor's access to records (continued)

- a. conveys or purports to convey any information or explanations which the auditor requires, or is entitled to require, as auditor of the ICAV, and
- b. is misleading, false or deceptive in a material particular, commits a category 2 offence.

#### Statement of Directors' responsibilities in respect of the Directors' report and the financial statements

The Directors are responsible for preparing the Directors' Report and financial statements, in accordance with applicable law and regulations.

The ICAV Act requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

The ICAV Act requires the Directors to prepare financial statements for each financial year which give a true and fair view of the assets and liabilities and financial position of the ICAV at the end of the financial year and of the profit or loss of the ICAV for the financial year. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with IFRS as adopted by the EU, and applicable law, and note the effect of and the reasons for any material departure from those standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the ICAV will continue in business.

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

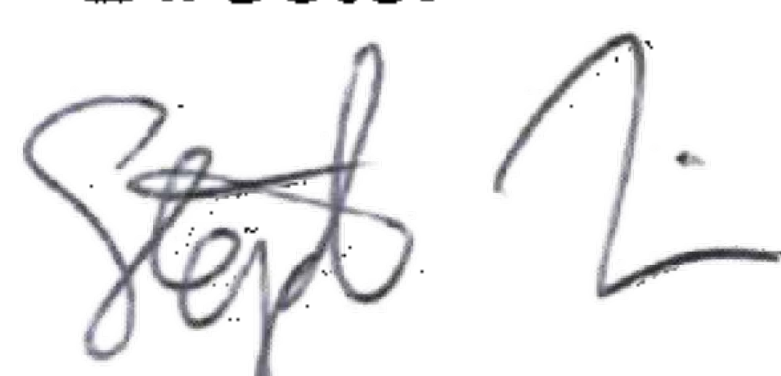
The Directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the assets, liabilities, financial position and profit or loss of the ICAV and enable them to ensure that the financial statements comply with the ICAV Act, the UCITS regulations and the Central Bank UCITS Regulations.

The Directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the ICAV. In this regard they have entrusted the assets of the ICAV to the Depositary for safe-keeping. They have general responsibility for taking such steps as are reasonably open to them to prevent and detect fraud and other irregularities. The Directors are also responsible for preparing a Directors' Report that complies with the requirements of the ICAV Act.

On behalf of the Board:



Pat O'Donoghue  
Director



Stephen Finn  
Director

13 October 2021

## **Annual Depositary Report to the Shareholders**

We, HSBC Continental Europe appointed Depositary to DSP Global Funds ICAV (the "ICAV") provide this report solely in favour of the Shareholders of the ICAV for the year ended 30 June 2021 (the "Accounting Period"). This report is provided in accordance with the UCITS Regulations – European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (as amended). We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown.

In accordance with our Depositary obligation as provided for under the Regulations, we have enquired into the conduct of the ICAV for the Accounting Period and we hereby report thereon to the Shareholders of the ICAV as follows;

We are of the opinion that the ICAV has been managed during the Accounting Period, in all material respects:

(i) in accordance with the limitations imposed on the investment and borrowing powers of the ICAV by the constitutional documents and the Regulations; and

(ii) otherwise in accordance with the provisions of the constitutional documents and the Regulations.



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On behalf of  
**HSBC Continental Europe**  
1 Grand Canal Square  
Grand Canal Harbour  
Dublin 2  
Ireland

### **HSBC Continental Europe**

1 Grand Canal Square, Grand Canal Harbour, Dublin 2, D02 P820, Ireland  
Tel: +353-1-635-6000 Website: [www.hsbc.ie](http://www.hsbc.ie)

HSBC Continental Europe has a registered branch in Ireland (registration number 908966) having its registered office at 1 Grand Canal Square, Grand Canal Harbour, Dublin 2, D02 P820 and is regulated and supervised by the Central Bank of Ireland as a depositary for Irish authorised investment funds and otherwise regulated by the Central Bank of Ireland for conduct of business rules. HSBC Continental Europe is a company incorporated under the laws of France as a société anonyme (registered number 775 670 284 RCS Paris), having its registered office at 38 Avenue Kléber, 75116 Paris, France. HSBC Continental Europe is supervised by the European Central Bank, as part of the Single Supervisory Mechanism, the French Prudential Supervisory and Resolution Authority (l'Autorité de Contrôle Prudentiel et de Résolution) as the French National Competent Authority and the French Financial Markets Authority (l'Autorité des Marchés Financiers) for the activities carried out over financial instruments or in financial markets.



# Independent auditor's report to the shareholders of DSP Global Funds ICAV

## Opinion

We have audited the financial statements of DSP Global Funds ICAV ("the ICAV"), which comprise the Statement of Financial Position as at 30 June 2021 and the Statement of Comprehensive Income, Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares and Statement of Cash Flow for the financial year then ended, and the related notes to the financial statements, including the summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is Irish law and International Financial Reporting Standards (IFRS) as adopted by the European Union.

In our opinion, the ICAV's financial statements:

- give a true and fair view in accordance with IFRS as adopted by the European Union of the assets, liabilities and financial position of the ICAV as at 30 June 2021 and of its financial performance and cash flows for the financial year then ended; and
- have been properly prepared in accordance with the requirements of the Irish Collective Asset-management Vehicles Act 2015 (as amended) (the "ICAV Act") and European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) ('ISAs (Ireland)') and applicable law. Our responsibilities under those standards are further described in the 'Responsibilities of the auditor for the audit of the financial statements' section of our report. We are independent of the ICAV in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, including the Ethical Standard for Auditors (Ireland) issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and the ethical pronouncements established by Chartered Accountants Ireland, applied as determined to be appropriate in the circumstances for the ICAV. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the ICAV's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

## Other information

Other information comprises information included in the annual report, other than the financial statements and the auditor's report thereon such as the Investment Manager's Report and Director's Report. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

## Independent auditor's report to the shareholders of DSP Global Funds ICAV

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies in the financial statements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

### **Matters on which we are required to report by the ICAV Act**

- We have obtained all the information and explanations, which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the ICAV were sufficient to permit the financial statements to be readily and properly audited.
- The financial statements are in agreement with the accounting records.
- In our opinion the information given in the Directors' report is consistent with the financial statements. Based solely on the work undertaken in the course of our audit, in our opinion, the Directors' report has been prepared in accordance with the requirements of the ICAV Act.

### **Matters on which we are required to report by exception**

Under the ICAV Act we are required to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by section 117 of the ICAV Act have not been made. We have no exceptions to report arising from this responsibility.

### **Responsibilities of management and those charged with governance for the financial statements**

As explained more fully in the Directors' responsibilities statement, management is responsible for the preparation of the financial statements which give a true and fair view in accordance with IFRS as adopted by the European Union, and for such internal control as they determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the ICAV's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the ICAV or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the ICAV's financial reporting process.

### **Responsibilities of the auditor for the audit of the financial statements**

The auditor's objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes their opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (Ireland), the auditor will exercise professional judgment and maintain professional scepticism throughout the audit. The auditor will also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is

## Independent auditor's report to the shareholders of DSP Global Funds ICAV

sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the ICAV's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ICAV's ability to continue as a going concern. If they conclude that a material uncertainty exists, they are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify their opinion. Their conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the ICAV to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

The auditor communicates with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that may be identified during the audit.

### **The purpose of our audit work and to whom we owe our responsibilities**

This report is made solely to the ICAV's shareholders, as a body, in accordance with section 120 of the Irish Collective Asset-management Vehicles Act 2015 (as amended). Our audit work has been undertaken so that we might state to the ICAV's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the ICAV and the ICAV's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.



**Niamh Meenan**

For and on behalf of

**Grant Thornton**

Chartered Accountants & Statutory Audit Firm

13-18 City Quay

Dublin 2

13 October 2021

**DSP Global Funds ICAV**

**STATEMENT OF FINANCIAL POSITION**

*As at 30 June 2021*

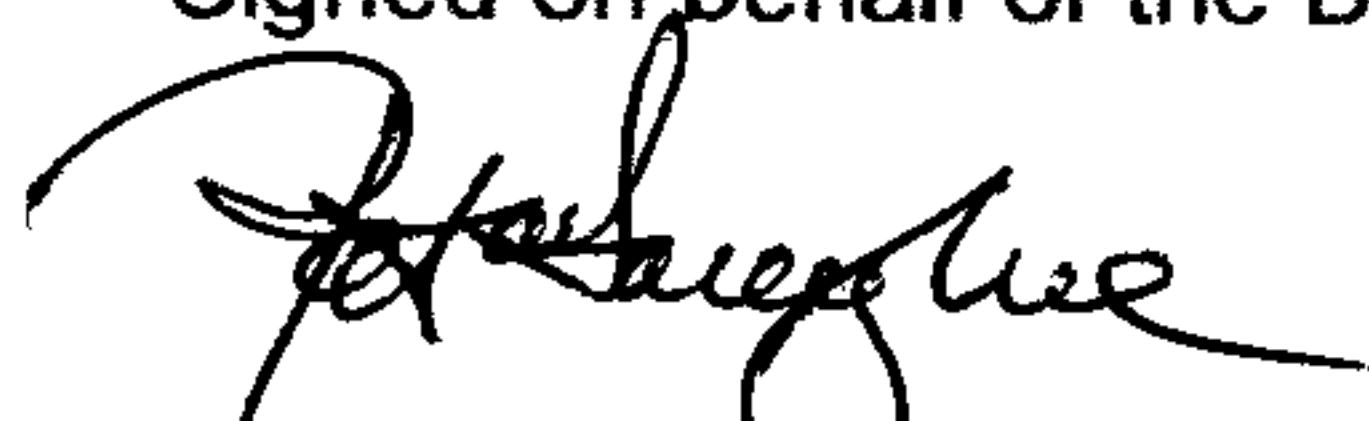
		DSP India Equity Fund* 2021 USD	DSP India Bond Fund** 2021 USD
	Note		
<b>ASSETS</b>			
Financial assets at fair value through profit or loss			
- Transferable securities	3	2,015,353	-
Cash and cash equivalents		316,643	-
Dividend receivable		779	
Reimbursement of operating expenses from Global Distributor receivable	6(h)	64,138	-
<b>Total assets</b>		<b>2,396,913</b>	<b>-</b>
<b>Liabilities</b>			
Investment management fee payable	6(b)	772	-
Management fee payable	6(a)	17,405	-
Administrator fee payable	6(c)	8,072	-
Depositary fee payable	6(d)	4,397	-
Audit fee payable	6(i)	7,216	-
Provision for capital gains tax		18,231	-
Other payables	6(l)	28,392	-
<b>Total liabilities (excluding net assets attributable to holders of redeemable shares)</b>		<b>84,485</b>	<b>-</b>
<b>Net assets attributable to holders of Redeemable Participating Shares</b>		<b>2,312,428</b>	<b>-</b>
	<b>Shares in issue</b>	<b>Net Asset Value USD</b>	<b>Net Asset Value per share USD</b>
Class Seed Acc	216,983	2,312,428	10.66

\*The Sub-Fund commenced operations on 15 March 2021.

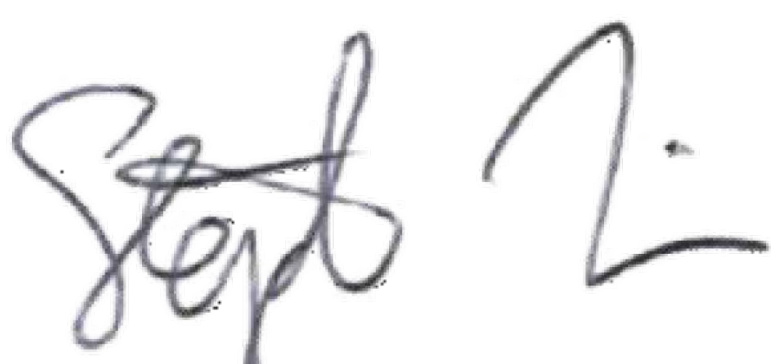
\*\*As at 30 June 2021, the Sub-Fund has not yet commenced operations.

Comparative figures are not applicable as the ICAV had not commenced operations in prior years.

Signed on behalf of the Board of Directors:



Pat O'Donoghue  
Director



Stephen Finn  
Director  
13 October 2021

*The accompanying notes form an integral part of these financial statements.*



## DSP Global Funds ICAV

### STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2021

		DSP India Equity Fund* 2021 USD	DSP India Bond Fund** 2021 USD
	Note		
<b>Income</b>			
Dividend income		1,450	-
Reimbursement of operating expense from Global Distributor	6(h)	64,138	-
Net gain on financial assets and liabilities at fair value through profit or loss	3	87,027	-
Net foreign exchange gain		565	-
<b>Total income</b>		<b>153,180</b>	<b>-</b>
<b>Operating Expenses</b>			
Investment management fee	6(b)	(772)	-
Directors' fee	6(e)	(3,567)	-
Administrator fee	6(c)	(8,072)	-
Depositary fee	6(d)	(4,397)	-
Audit fee	6(i)	(7,216)	-
Management fee	6(a)	(17,619)	-
Investor related fee		(2,238)	-
Secretary fee	6(g)	(2,845)	-
Directors' Insurance		(6,314)	-
MLRO fee		(2,667)	-
Custody fee		(5,766)	-
Accounting fee		(1,466)	-
Other expenses		(3,359)	-
<b>Total expenses</b>		<b>(66,298)</b>	<b>-</b>
<b>Net Investment income for the year</b>		<b>86,882</b>	<b>-</b>
<b>Finance Costs</b>			
Interest expense		-	-
<b>Net Income before tax</b>		<b>86,882</b>	<b>-</b>
Provision for capital gains tax		(18,525)	-
Withholding tax on Dividends	2(g)	(307)	-
<b>Increase in net assets from operations attributable to holders of Redeemable Participating Shares</b>		<b>68,050</b>	<b>-</b>

\*The Sub-Fund commenced operations on 15 March 2021.

\*\*As at 30 June 2021, the Sub-Fund has not yet commenced operations.

Comparative figures are not applicable as the ICAV had not commenced operations in prior years.

The accompanying notes form an integral part of these financial statements.

## DSP Global Funds ICAV

### STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES

*For the year ended 30 June 2021*

	DSP India Equity Fund* 2021 USD	DSP India Bond Fund** 2021 USD
<b>Net assets attributable to holders of Redeemable Participating Shares at the beginning of the financial year</b>	-	-
Issuance of Redeemable Participating Shares	2,244,378	-
Redemption of Redeemable Participating Shares	-	-
Net increase from share transactions	2,244,378	-
Increase in net assets from operations attributable to holders of Redeemable Participating Shares	68,050	-
<b>Net assets attributable to holders of Redeemable Participating Shares at the end of the financial year</b>	<b>2,312,428</b>	-

\*The Sub-Fund commenced operations on 15 March 2021.

\*\*As at 30 June 2021, the Sub-Fund has not yet commenced operations.

Comparative figures are not applicable as the ICAV had not commenced operations in prior years.

## DSP Global Funds ICAV

### STATEMENT OF CASH FLOW

For the year ended 30 June 2021

	DSP India Equity Fund* 2021 USD	DSP India Bond Fund** 2021 USD
<b>Cash flows from operating activities</b>		
Increase in net assets from operations attributable to holders of Redeemable Participating Shares	68,050	-
Adjustments to reconcile increase in net assets from operations attributable to holders of redeemable participating shares to net cash used in operating activities		
Effect of exchange rate fluctuations on cash and cash equivalents	(2,549)	-
Purchases of investments	(1,928,326)	-
Net unrealised gain on investments	(87,027)	-
Dividend receivable	(779)	-
Reimbursement of operating expenses from Global Distributor receivable	(64,138)	-
Investment management fee payable	772	-
Management fee payable	17,405	-
Audit fee payable	7,216	-
Administrator fee payable	8,072	-
Depositary fee payable	4,397	-
Provision for capital gains tax	18,231	-
Other payables	28,392	-
<b>Net cash used in operating activities</b>	<b>(1,930,284)</b>	<b>-</b>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of shares	2,244,378	-
<b>Net cash flow from financing activities</b>	<b>2,244,378</b>	<b>-</b>
<b>Net increase in cash and cash equivalents</b>	<b>314,094</b>	<b>-</b>
Cash and cash equivalents at beginning of the financial year	-	-
Effect of exchange rate fluctuations on cash and cash equivalents	2,549	-
<b>Cash and cash equivalents at end of the financial year</b>	<b>316,643</b>	<b>-</b>
<b>Supplementary cash flow information</b>		
Dividend received	671	-
Withholding tax on Dividends paid	137	-

\*The Sub-Fund commenced operations on 15 March 2021.

\*\*As at 30 June 2021, the Sub-Fund has not yet commenced operations.

Comparative figures are not applicable as the ICAV had not commenced operations in prior years.

The accompanying notes form an integral part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS**

*For the year ended 30 June 2021*

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**1. General information**

DSP Global Funds ICAV (the "ICAV") was incorporated as an open-ended umbrella Irish collective asset-management vehicle with segregated liability between sub-funds to carry on business under the Irish Collective Asset-Management vehicles Act 2015 (as amended) (the "ICAV Act") on 14 November 2018 under registration number C187693. The ICAV is authorised by the Central Bank of Ireland as an ICAV pursuant to Part 2 of the ICAV Act, the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (as amended), (the "UCITS Regulations") and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019 (the "Central Bank UCITS Regulations") (collectively the "Central Bank Requirements").

As at the date of this report the ICAV comprised of two Sub-Funds - DSP India Equity Fund and DSP India Bond Fund. The Sub-Funds were authorised by the Central Bank on 13 March 2019.

The investment objective of DSP India Equity Fund is to seek long-term capital appreciation from a portfolio that is substantially constituted of equity and equity related securities of mid cap and small cap companies. The Sub-Fund was launched on 15 March 2021.

The investment objective of the DSP India Bond Fund is to provide long term total return by investing primarily in a portfolio of Indian bonds and other similar fixed income securities. As at 30 June 2021, the Sub-Fund has not yet commenced operations.

The ICAV has appointed KBA Consulting Management Limited (the "Manager") as Manager of the ICAV pursuant to the Management agreement. DSP Investment Managers Pvt Ltd (the "Investment Manager") was appointed as the Investment Manager of the ICAV providing discretionary investment management and advisory services in relation to the ICAV. The DSP Group is the promoter of the ICAV.

**2. Significant accounting policies**

The significant accounting policies adopted by the ICAV in the preparation of these financial statements are set out below.

**(a) Basis of accounting**

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union, and applied in accordance with the ICAV Act and the UCITS Regulations and the Central Bank UCITS Regulations.

**(b) Basis of measurement**

The financial statements have been prepared on a going concern basis, applying the historical cost convention, except for the financial instruments which have been valued at fair value through profit or loss.

**(c) Judgements and estimates**

The preparation of financial statements in conformity with IFRS requires management to make estimates, judgements and assumptions that affect the amounts reported in the financial statements and accompanying notes. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

*For the year ended 30 June 2021*

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**2. Significant accounting policies (continued)**

**(c) Judgements and estimates (continued)**

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

**(i) Going Concern**

These financial statements have been prepared on a going concern basis as the Directors have made an assessment of the ICAV's ability to continue as a going concern and are satisfied that the ICAV has the resources to continue for the foreseeable future.

The Board had also noted the operational risks that were posed to the sub-funds and their service providers due to global and local movement restrictions that were enacted by various governments due to the COVID-19 pandemic. However, the end of 2020 also marked the introduction of various vaccines to counter the spread of the pandemic and there has been significant relaxation of travel restrictions in 2021. Despite the difficulties in rolling out a vaccine programme, various countries across the globe were successful in implementing a proper vaccination programme which helped in curbing the spread of the virus. The ICAV is invested in the Indian capital markets and the Indian Government had to accelerate its vaccination programme, which was done promptly, and this helped in curtailing the spread of the virus. The Board is continuously monitoring the situation.

On account of COVID-19 impact, the sub-fund "DSP India Equity Fund" launch got delayed and was launched on 15 March 2021. The investment strategy offered under this sub-fund is a value proposition for the investors and thus the Investment Manager is targeting to scale up the sub-Fund to at least USD 100 million in the next 12 months. This milestone is expected to accelerate the next phase of growth of the Sub-Fund.

Further in order to enhance the confidence of the investors and distributors, the Investment Manager to this sub-fund has seeded the sub-fund USD 3 million.

**(ii) Functional and presentation currency**

The functional currency of ICAV is US Dollar (USD) as although all investments are in Indian equities denominated in Indian Rupee, the US Dollar is the currency in which the ICAV measures its performance and reports its results, as well as the currency in which it principally receives subscriptions and redemptions from its investors. As a result the Board of Directors considers the US Dollar the currency that most faithfully represents the economic effect of the underlying transactions, events and conditions. Accordingly the ICAV has adopted the US Dollar as its functional and presentation currency.

**(d) Changes in accounting policies and disclosures**

**New standards, amendments to existing standards and interpretations adopted by the ICAV**

There are no standards, amendments to standards or interpretations that are effective for annual periods beginning on 1 July 2020 that have a material effect on the financial statements of the ICAV.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

*For the year ended 30 June 2021*

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**2. Significant accounting policies (continued)**

**(d) Changes in accounting policies and disclosures (continued)**

**Accounting Standards not yet effective and not early adopted**

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2020, and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the ICAV.

**(e) Financial instruments**

**(i) Classification**

In accordance with IFRS 9, the ICAV classifies its financial assets and financial liabilities at initial recognition into the categories of financial assets and financial liabilities discussed below.

In applying that classification, a financial asset or financial liability is considered to be held for trading if:

- a) It is acquired or incurred principally for the purpose of selling or repurchasing it in the near term;
- b) On initial recognition, it is part of a portfolio of identified financial instruments that are managed together and for which, there is evidence of a recent actual pattern of short-term profit-taking; or
- c) It is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

*Financial assets*

The ICAV classifies its financial assets as subsequently measured at amortised cost or measured at fair value through profit or loss on the basis of both:

- The entity's business model for managing the financial assets
- The contractual cash flow characteristics of the financial asset

*Financial assets at fair value through profit or loss*

A financial asset is measured at fair value through profit or loss if:

- (a) Its contractual terms do not give rise to cash flows on specified dates that are solely payments of principal and interest (SPPI) on the principal amount outstanding; or
- (b) It is not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell; or
- (c) At initial recognition, it is irrevocably designated as measured at fair value through profit or loss when doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. Included within this category are investments in securities and derivative contracts in an asset position.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

*For the year ended 30 June 2021*

---

**2. Significant accounting policies (continued)**

**(e) Financial instruments (continued)**

**(i) Classification (continued)**

*Financial liabilities at fair value through profit or loss*

A financial liability is measured at fair value through profit or loss if it meets the definition of held for trading. The ICAV includes in this category derivative contracts in a liability position and investments in securities sold short since they are classified as held for trading.

*Financial assets at amortised cost*

Loans and receivables are measured at amortised cost. The ICAV includes in this category cash and cash equivalents, amounts due from brokers and other short-term receivables.

*Financial liabilities at amortised cost*

This category includes all financial liabilities, other than those measured at fair value through profit or loss. The ICAV includes in this category amounts due to brokers and other short-term payables and redeemable participating shares.

**(ii) Recognition**

The ICAV recognises a financial asset or a financial liability when, and only when, it becomes a party to the contractual provisions of the instrument.

Purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the marketplace are recognised on the trade date, i.e., the date that the ICAV commits to purchase or sell the asset.

**(iii) Subsequent measurement**

After initial measurement, the ICAV measures financial instruments which are classified as at fair value through profit or loss, at their fair values. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. The fair value of financial instruments traded in an active market is based on their quoted market prices on a recognised exchange or sourced from a reputable broker/counterparty, in the case of non-exchange traded instruments, at the reporting date without any deduction for estimated future selling costs. Financial assets and liabilities are stated at market value based on the last traded price within the bid ask spread on each valuation date.

If a quoted market price is not available on a recognised stock exchange or from a reputable broker/counterparty, the fair value of the financial instruments may be estimated using appropriate valuation techniques, including use of recent arm's length market transactions, reference to the current fair value of another instrument that is substantially the same, discounted cash flow techniques, or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

Subsequent changes in the fair value of financial instruments at fair value through profit or loss are recognised in the Statement of Comprehensive Income.

An analysis of fair values of financial instruments and further details as to how they are measured is provided in Note 4.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

*For the year ended 30 June 2021*

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**2. Significant accounting policies (continued)**

**(e) Financial instruments (continued)**

**(iii) Subsequent measurement (continued)**

Financial instruments, other than those at fair value through profit or loss, are measured at amortised cost using the effective interest rate method, less any impairment for financial assets. Gains and losses are recognised in profit or loss when the assets or liabilities are derecognised, as well as through the amortisation process.

**(iv) Derecognition**

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised where:

- The rights to receive cash flows from the asset have expired; or
- The ICAV has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; And
- either (a) the ICAV has transferred substantially all the risks and rewards of the asset, or (b) the ICAV has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the ICAV has transferred its rights to receive cash flows from an asset (or has entered into a pass-through arrangement), and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the ICAV's continuing involvement in the asset.

The ICAV derecognises a financial liability when the obligation under the liability is discharged, cancelled or expires.

**(v) Impairment**

The sub-funds recognise loss allowances for Expected Credit Loss (ECL) on financial assets measured at amortised cost and measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- Financial assets that are determined to have low credit risk at the reporting date; and
- Other financial assets for which credit risk (the risk of default occurring over the expected life of the asset) has not increased significantly since initial recognition.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the sub-funds consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the sub-funds' historical experiences and informed credit assessment and including forward-looking information.

The sub-funds assume that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.



**NOTES TO THE FINANCIAL STATEMENTS (continued)**

*For the year ended 30 June 2021*

---

**2. Significant accounting policies (continued)**

**(e) Financial instruments (continued)**

**(v) Impairment (continued)**

The sub-funds consider a financial asset to be in default when:

- The borrower is unlikely to pay its credit obligations to the sub-funds in full, without recourse by the sub-funds to actions such as realising security (if any is held); or
- The financial asset is more than 90 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12-months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Sub-Funds are exposed to credit risk.

*Measurement of ECLs*

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the sub-funds expect to receive).

*Presentation of allowances for ECLs in the statement of financial position*

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

No ECL is recorded on the financial assets at amortised cost, as the Directors have deemed it immaterial to the financial statements as a whole.

**(f) Foreign currency translation**

Assets and liabilities denominated in currencies other than the presentation currency are translated into the presentation currency at the prevailing exchange rate at financial year end. Transactions during the financial year, including purchases and sales of securities, income and expenses, are translated at the rate of exchange prevailing on the date of the transaction. Foreign exchange gains and losses arising from translation are included in the Statement of Comprehensive Income. Foreign exchange gains/losses relating to cash and cash equivalents are presented in the Statement of Comprehensive Income within "Net foreign exchange gain" and foreign exchange gains/losses relating to financial assets and liabilities carried at fair value through profit or loss are presented in the Statement of Comprehensive Income within "Net gain on financial assets and liabilities at fair value through profit or loss".

**(g) Income**

Dividend income is credited to the Statement of Comprehensive Income on the date on which the relevant securities are listed as "ex-dividend". Dividend income is shown gross of any non-recoverable withholding taxes, which are disclosed separately in the Statement of Comprehensive Income, and net of any tax credits.

The withholding tax on dividends for the financial year ended 30 June 2021 amounted to USD 307 (30 June 2020: USD Nil).

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

*For the year ended 30 June 2021*

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**2. Significant accounting policies (continued)**

**(h) Expenses**

Expenses are accounted for on an accruals basis and are charged to the Statement of Comprehensive Income when incurred.

**(i) Cash and cash equivalents**

Cash and cash equivalents include current and call accounts with original maturities of three months or less. Cash comprises of cash held with HSBC Bank Plc (Standard & Poor's: A+)

**(j) Dividend distribution**

In the case of all classes of the Sub-Funds, the net income and realised and unrealised gains net of realised and unrealised losses available for distribution will be accumulated and reflected in the net asset value per share which shall rise accordingly.

**(k) Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is presented in the Statement of Financial Position when and only when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

**(l) Taxation**

Under current law and practice the ICAV qualifies as an investment undertaking as defined in Section 739B of the Taxes Consolidation Act, 1997, as amended. As such, it is not chargeable to Irish tax on its income or gains.

However, Irish tax may arise on the happening of a "chargeable event". A chargeable event includes any distribution payments to shareholders or any encashment, redemption, cancellation or transfer of shares.

No Irish tax will arise on the ICAV regarding chargeable events in respect of a shareholder who is neither Irish resident nor ordinarily resident in Ireland at the time of the chargeable event provided that a relevant declaration is in place and the ICAV is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct.

A Chargeable Event does not include:

- (i) any transaction in relation to Shares held in a recognised clearing system;
- (ii) any exchange by a Shareholder effected by way of a bargain made at arm's length by the ICAV, of Shares in the ICAV for other Shares in the ICAV;
- (iii) certain transfers of Shares between spouses or civil partners and former spouses or former civil partners;
- (iv) an exchange of Shares arising on a qualifying amalgamation or reconstruction of the ICAV with another Irish investment undertaking; or
- (v) the cancellation of Shares in the ICAV arising from an exchange in relation to a scheme of amalgamation.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

*For the year ended 30 June 2021*

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**2. Significant accounting policies (continued)**

**(l) Taxation (continued)**

Income, interest and capital gains (if any) received on investments made by the ICAV may be subject to withholding taxes imposed by the country from which the Investment income/gains are received and such taxes may not be recoverable by the ICAV or its shareholders.

Capital gains arising on the transfer of shares of an Indian company are taxable as per the Income-tax Act 1961 and Article 13(5) of the India Ireland Double Tax Avoidance Agreement. The Directors may determine to require an prospective shareholder to pay to a Sub-Fund any Duties and Charges (D&C) in addition to the subscription or redemption amount on that Dealing Day in order to cover dealing costs such as bid-offer spreads and/or tax provisions for unrealised gains and to preserve the value of the underlying assets of the Sub-Fund for existing Shareholders.

The capital gain tax (CGT) for the financial year ended 30 June 2021 amounted to USD 18,525 (30 June 2020: USD Nil).

**(m) Transaction costs**

Transaction costs are incremental costs, which are separately identifiable and directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. Transaction costs for all financial assets carried at fair value through profit or loss are included in the Statement of Comprehensive Income. These include fees and commissions paid to brokers and counterparties and have been classified within gains and losses on financial assets and liabilities at fair value through profit or loss. Transaction fees paid to the Depositary on trade settlement are expensed as incurred and included in the Statement of Comprehensive Income within Net gain on financial assets and liabilities at fair value through profit or loss. Transaction costs are detailed in Note 5.

**(n) Redeemable participating shares**

Redeemable participating shares are redeemable at the shareholder's option and are classified as financial liabilities. The participating shares can be put back to the ICAV on any dealing day for cash equal to a proportionate share of the relevant sub-fund's Net Asset Value.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

*For the year ended 30 June 2021*

**3. Financial assets and liabilities at fair value through profit or loss**

**DSP India  
Equity Fund  
2021  
USD**

**Financial assets at fair value through profit or loss**

Transferable securities

- Equities

2,015,353

**Total financial assets at fair value through profit or loss**

**2,015,353**

**Unrealised gain on financial assets and liabilities at fair value through profit or loss**

Unrealised gain on equities

87,027

**Net unrealised gain on financial assets and liabilities at fair value through profit or loss**

**87,027**

**Net gain on financial assets and liabilities at fair value through profit or loss**

**87,027**

As at 30 June 2021, the DSP India Bond Fund has not yet commenced operations.

Comparative figures are not applicable as the ICAV had not commenced operations in prior years.

**4. Fair value measurement**

IFRS 13 establishes a fair value hierarchy that prioritises the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described in the table below.

Level 1	Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the ICAV has the ability to access at the measurement date;
Level 2	Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, including inputs from markets that are not considered to be active;
Level 3	Inputs that are unobservable.

Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk. Inputs may include price information, volatility statistics, specific and broad credit data, liquidity statistics, and other factors. A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. However, the determination of what constitutes "observable" requires significant judgement by the Directors. The Directors consider observable data to be that market data which is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market. The categorisation of a financial instrument within the hierarchy is based upon the pricing transparency of the instrument and does not necessarily correspond to the Directors' perceived risk of that instrument.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

*For the year ended 30 June 2021*

**4. Fair value measurement (continued)**

*Transferable securities*

Transferable securities whose values are based on quoted market prices in active markets are classified within level 1. These include active listed equities. The Directors do not adjust the quoted price for such instruments, even in situations where the ICAV holds a large position and a sale could reasonably impact the quoted price. All investments held by the DSP India Equity Fund at the financial year end are Level 1 securities.

Transferable securities that trade in markets that are not considered to be active, but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within level 2. There are no level 2 investments held at financial year end.

Transferable securities classified within level 3 have significant unobservable inputs, as they trade infrequently or not at all. There are no level 3 investments held at financial year end.

*Derivative instruments*

The Sub-Funds may invest in Financial Derivatives Instruments ("FDI") for investment purposes, for hedging purposes and for efficient portfolio management purposes.

Derivative instruments can be exchange-traded or privately negotiated over-the-counter ("OTC"). Exchange-traded derivatives, such as futures contracts and exchange traded option contracts, are typically classified within level 1 or level 2 of the fair value hierarchy depending on whether or not they are deemed to be actively traded. OTC derivatives, such as forward foreign exchange contracts have inputs which can generally be corroborated by market data and are therefore classified within level 2. There are no derivatives held as at the financial year end.

The ICAV has not disclosed the fair value hierarchy level classification for cash and cash equivalents, other receivables and payables because their carrying amounts are a reasonable approximations of fair values.

The ICAV redeems and issues redeemable participating shares at the amount equal to the proportionate share of net assets of the ICAV at the time of subscription or redemption, calculated on a basis consistent with that used in the financial statements. Accordingly, the carrying amount of Net assets attributable to holders of participating shares approximates their fair value. The shares are categorised into Level 2 of the fair value hierarchy.

The following table presents the financial instruments carried at fair value on the Statement of Financial Position by caption and by level within the valuation hierarchy as at 30 June 2021.

<b>DSP India Equity Fund 30 June 2021</b>	<b>Level 1 USD</b>	<b>Level 2 USD</b>	<b>Level 3 USD</b>	<b>Total USD</b>
<b>Financial assets at fair value through profit or loss</b>				
Transferable securities				
- Equities	2,015,353	-	-	2,015,353
<b>Total financial assets at fair value through profit or loss</b>	<b>2,015,353</b>	<b>-</b>	<b>-</b>	<b>2,015,353</b>

As at 30 June 2021, the DSP India Bond Fund has not yet commenced operations.

Comparative figures are not applicable as the ICAV had not commenced operations in prior years.

There were no financial liabilities at fair value through profit or loss as at 30 June 2021.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

*For the year ended 30 June 2021*

**4. Fair value measurement (continued)**

There were no transfers between levels during the year ended 30 June 2021.

No investments have been classified within Level 3 at any time during the year, consequently no reconciliation of Level 3 fair value measurements is required.

**5. Cash and cash equivalents**

The ICAV held cash balances of USD 316,643 as at 30 June 2021. (30 June 2020:USD Nil)

**6. Fees and Expenses**

**(a) Management Fee**

The Manager is entitled to receive out of the assets of each Sub-Fund an annual fee not exceeding 0.025% of the Net Asset Value of the Sub-Fund (plus VAT, if any), subject to a minimum amount of €50,000 per annum. The Manager's fee is accrued and calculated daily and payable quarterly in arrears.

The Management Fee for the financial year amounted to USD 17,619 of which USD 17,405 was payable at 30 June 2021.

**(b) Investment Management Fee**

Pursuant to the Investment Management Agreement, the Investment Manager is entitled to charge an Investment Management fee which applies separately in respect of each Class as set out in the table below, calculated as a percentage of the Net Asset Value of the relevant Class:

<b>Class</b>	<b>Investment Management Fee</b>
Class A USD Unhedged	Up to 0.35%
Class A EUR Unhedged	Up to 0.35%
Class B USD Unhedged	Up to 0.35%
Class B EUR Unhedged	Up to 0.35%
Seed Class	<p>The Investment Management fee is calculated as follows:</p> <p>(i) 0.25% of the Net Asset Value of the Seed Class when the Net Asset Value of the relevant Sub-Fund is up to \$150 million; or</p> <p>(ii) 0.1944% of the Net Asset Value of the Seed Class when the Net Asset Value of the relevant Sub-Fund is greater than \$150 million and up to \$300 million; or</p> <p>(iii) 0.0833% of the Net Asset Value of the Seed Class when the Net Asset Value of the relevant Sub-Fund is greater than \$300 million.</p>
Founders Class	Up to 0.25%

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

*For the year ended 30 June 2021*

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**6. Fees and Expenses (continued)**

**(b) Investment Management Fee (continued)**

The Investment Management Fee is accrued daily and is payable monthly in arrears.

The Investment Manager pays the fees of any sub-investment manager or investment advisor out of the Investment Management Fee it receives from the relevant Sub-Fund.

The Investment Management Fee for the year amounted to USD 772 of which USD 772 was payable at 30 June 2021.

**(c) Administrator Fee**

The Administrator is entitled to receive out of the assets of each Sub-Fund an annual fee which will not exceed 0.15% of the first USD 250 million of the Net Asset Value of the Sub-Fund, 0.13% of the Net Asset Value of the Sub-Fund on the next USD 250 million and 0.11% of the Net Asset Value of the Sub-Fund thereafter (together with VAT, if any, thereon).

The Administrator Fee is accrued daily and is payable monthly in arrears subject to a minimum annual fee of USD 54,000 per Sub-Fund. A 50% discount on the minimum fee for the first 6 months (with a claw back in year 2, if the minimums are not broken by the end of year 2) was offered as per the fee agreement.

The Administrator Fee for the year amounted to USD 8,072 of which USD 8,072 was payable at 30 June 2021.

**(d) Depositary Fee**

The Depositary is entitled to receive out of the assets of each Sub-Fund an annual fee not exceeding 0.0675% of the Net Asset Value of the Sub-Fund (plus VAT, if any), accrued and calculated daily and payable monthly in arrears, subject to a minimum annual fee of USD 30,000. A 50% discount on the minimum fee for the first 6 months (with a claw back in year 2, if the minimums are not broken by the end of year 2) was offered as per the fee agreement.

The Depositary is also entitled to be repaid out of the assets of each Sub-Fund for all of its reasonable disbursements incurred on behalf of each Sub-Fund, including the safe-keeping fees and expenses of any sub-custodian, proxy voting charges and transaction charges (which shall be at normal commercial rates) levied by the Depositary or any sub-custodian and any applicable taxes it incurs on behalf of the Sub-Fund.

The Depositary Fee for the year amounted to USD 4,397 of which USD 4,397 was payable at 30 June 2021.

**(e) Directors Fee**

The Directors are entitled to receive fees in any year of up to €40,000 (or such other sum as the Directors may from time to time determine and disclose to the Shareholders). Any increase above the maximum permitted fee will be notified in advance to Shareholders. The Directors may elect to waive their entitlement to receive a fee. All Directors will be entitled to reimbursement by the ICAV of expenses properly incurred in connection with the business of the ICAV or the discharge of their duties.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

*For the year ended 30 June 2021*

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**6. Fees and Expenses (continued)**

**(e) Directors Fee (continued)**

Directors fees for the year amounted to USD 3,567 of which USD 3,567 was payable as at 30 June 2021.

**(f) Global Distributors' fee**

The fees paid out of the assets of the Sub-Funds to the Global Distributors pursuant to the Thornbridge Global Distribution Agreement and/or the DSP Global Distribution Agreement, as applicable (the "Global Distribution Fee"), will not exceed:-

(i) 1.15 % of the Net Asset Value of the relevant Sub-Fund in respect of each of Class A USD Unhedged and Class A EUR Unhedged;

(ii) 0.40 % of the Net Asset Value of the relevant Sub-Fund in respect of each of Class B USD Unhedged and Class B EUR Unhedged;

(iii) 0.20 % of the Net Asset Value of the relevant Sub-Fund in respect of the Founders Class; and

(iv) 0.20 % of the Net Asset Value of the relevant Sub-Fund in respect of the Seed Class.

The Global Distribution Fee for the Seed Class is calculated as follows:

(i) 0.20% of the Net Asset Value of the Seed Class when the Net Asset Value of the relevant Sub-Fund is up to \$150 million; or

(ii) 0.1556% of the Net Asset Value of the Seed Class when the Net Asset Value of the relevant Sub-Fund is greater than \$150 million and up to \$300 million; or

(iii) 0.0667% of the Net Asset Value of the Seed Class when the Net Asset Value of the relevant Sub-Fund is greater than \$300 million.

The Global Distribution fee is accrued at each Valuation Point and is payable quarterly in arrears. It is subject to the imposition of value added tax ("VAT") if required. The Global Distributor(s) (as applicable) is also entitled to be reimbursed out of the assets of each Sub-Fund for all reasonable and properly vouched out of pocket expenses incurred. However, initially and until such time as agreed with the ICAV, the Global Distributor(s) (as applicable) shall bear the initial registration costs of registering each Sub-Fund in countries in which the Sub-Fund is to be marketed and the ongoing maintenance costs of maintaining such registrations.

The Global Distributor(s) (as applicable) is responsible for discharging out of its fee, the fees of any distributor appointed by the Global Distributor(s) (as applicable). Any distributor appointed by the Global Distributor(s) (as applicable) is also entitled to be reimbursed out of the assets of each Sub-Fund for all reasonable and properly vouched out of pocket expenses incurred by it.

The Global Distribution fee for the year amounted to USD Nil of which USD Nil was payable as at 30 June 2021.



**NOTES TO THE FINANCIAL STATEMENTS (continued)**

*For the year ended 30 June 2021*

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**6. Fees and Expenses (continued)**

**(g) Secretary's Fee**

The ICAV pays the Secretary an annual fee of €8,000 for up to two Sub-Funds and €1,500 per additional Sub-Fund for acting as corporate secretary to the ICAV which is payable quarterly in arrears. The Secretary is also entitled to charge the ICAV for its reasonable properly vouched out-of-pocket expenses.

Secretary's fees for the year amounted to USD 2,845 of which USD 2,845 was payable as at 30 June 2021.

**(h) Reimbursement of operating expense from the Global Distributor**

The total fees and operating expenses in respect of each Accounting Period, including the Manager's fee, the Investment Manager's fee, the Administrator's fee, the Depositary's fee, any distributors' fees and all operating expenses relating to each Sub-Fund will not exceed 1.75% of the Net Asset Value of the Sub-Fund in respect of Class A USD Unhedged and Class A EUR Unhedged, 1% of the Net Asset Value of the Sub-Fund in respect of Class B USD Unhedged and Class B EUR Unhedged and 0.70% of the Net Asset Value of the Sub-Fund in respect of the Founders Class.

The total fees and operating expenses in respect of each Accounting Period relating to the Seed Class shall not exceed the applicable threshold as set out below:-

(i) 0.70% of the Net Asset Value of the Seed Class when the Net Asset Value of the relevant Sub-Fund is up to USD150 million; or

(ii) 0.60% of the Net Asset Value of the Seed Class when the Net Asset Value of the relevant Sub-Fund is greater than USD150 million and up to USD300 million; or

(iii) 0.40% of the Net Asset Value of the Seed Class when the Net Asset Value of the relevant Sub-Fund is greater than USD 300 million.

Any expense incurred over the above stated limits is borne by the Global Distributor.

Total fees and expenses of USD 66,298 have been incurred during the year of which USD 64,138 is to be reimbursed by the Global Distributor, DSP Global Services (Mauritius) Limited, being the amount in excess of the expense cap for the year.

During the year ended 30 June 2021, there were some expenses amounting to EUR 10,000 paid directly by the Global Distributor to third parties on behalf of the ICAV.

**(i) Independent Auditors' fees**

Fees for the statutory auditors, Grant Thornton, in respect of the financial year ended 30 June 2021, relate entirely to the audit of the financial statements of the ICAV.

Auditors' fees for the financial year amounted to EUR 6,000 (ex VAT) (2020: EUR 750) of which EUR 6,000 (2020: EUR 750) was payable as at 30 June 2021. Auditors' remuneration was borne by the Investment Manager until the ICAV commenced operations.

**NOTES TO THE FINANCIAL STATEMENTS (continued)***For the year ended 30 June 2021*

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**6. Fees and Expenses (continued)****(j) Formation costs**

All fees and expenses relating to the establishment and organisation of the ICAV, the DSP India Equity Fund and the DSP India Bond Fund, including the fees of the ICAV's professional advisers and registering the Shares for sale in various markets were borne by the Investment Manager.

**(k) Transaction costs**

Transaction cost for the financial year ended 30 June 2021 amounted to USD 2,888 (2020: USD Nil).

**(l) Other payables**

The other payables of the ICAV as at 30 June 2021 are as follows.

<b>DSP India Equity Fund</b>	<b>30 June 2021</b>
Directors fee	3,567
Custody fee	5,766
Accounting fee	1,466
Investor related fee	2,238
Other fees	3,359
MLRO fee	2,667
Secretary fee	2,845
Directors' Insurance	6,314
Irrecoverable tax on dividends receivable	170
	<b>28,392</b>

**7. Share capital and redeemable participating shares**

All redeemable participating shares issued by the Sub-Funds provide the investors with the right to require redemption for cash at the value proportionate to the investor's share in the Sub-Fund's net assets at the redemption date. In accordance with IAS 32 such instruments give rise to a financial liability for the present value of the redemption amount.

The authorised share capital of the ICAV is 2 redeemable Management Shares of no par value and 500,000,000,000 Shares of no par value. The 2 redeemable Management Shares are held by Clifton Fund Consulting Limited and Clifton Directors Limited. The liability of Shareholders in respect of payment on their shares shall be limited to the amount, if any, unpaid, on the shares respectively held by them.

Shares in a Sub-Fund may be purchased on any dealing day at the Net Asset Value per Share on the relevant dealing day. Shareholders may request that Shares of a Sub-Fund be redeemed on any dealing day by completing and submitting a redemption application to the Administrator to arrive no later than the redemption cut-off time, in order to be effective on a dealing day. Redemption applications received after the relevant redemption cut-off time will be held over until the next applicable dealing day, unless the Directors determine in their sole discretion, in exceptional circumstances and where such redemption applications are received before the relevant valuation point, to accept such redemption applications on the relevant dealing day.

Each of the Shares entitles the Shareholder to participate equally in or receive profits or income arising from the acquisition, holding, management or disposal of investments of the relevant Sub-Fund, and to vote at any general meeting of the ICAV or at any meeting of the relevant Sub-Fund or Class of shares in respect of which such Shares have been issued.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

*For the year ended 30 June 2021*

**7. Share capital and redeemable participating shares (continued)**

The movement in the number of redeemable participating shares for the financial year ended 30 June 2021 was as follows.

**DSP India Equity Fund**

		At the beginning of the financial year	Shares issued	Shares redeemed	At the end of the financial year	NAV Per Share
Currency						
Class Seed Acc	USD	-	216,983	-	216,983	10.66

As at 30 June 2021, the DSP India Bond Fund has not yet commenced operations.

Comparative figures are not applicable as the ICAV had not commenced operations in prior years.

**8. Risk arising from financial instruments**

The ICAV's activities expose it to a variety of financial risks: market risk (including price risk, currency risk and interest rate risk), credit risk and liquidity risk. The ICAV's overall risk management process focuses on the unpredictability of financial markets and seeks to mitigate potential adverse effects on the ICAV's financial performance.

The Investment Manager seeks to mitigate the financial risk in the ICAV in its daily risk management process. From year to year, the ICAV's exposure to risk will alter as market conditions change and as the components of the portfolio change and are adjusted through trading, subscriptions and redemptions. With regard to the objectives, policies and processes for managing the risk, whilst adapting to the current market conditions, the approach will remain consistent from year to year.

**(a) Market risk**

The potential for changes in the fair value or cash flows of the Sub-Funds' investment portfolios is referred to as Market Risk. Categories of Market Risk include price risk, foreign currency risk and interest rate risk.

**(i) Price risk**

Price risk is the risk that the value of instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market. It represents the potential loss the ICAV might suffer through holding market positions in the face of price movements. The securities held by a Sub-Fund are held at fair value with fair value changes recognised in the Statement of Comprehensive Income. All changes in market conditions will therefore directly affect net investment income for a Sub-Fund.

Each Sub-Fund manages this exposure to individual price movements of underlying positions by only making investments which are in line with the investment restrictions.

A 5% increase in equity prices as at 30 June 2021 would have increased the net assets attributable to holders of redeemable shares by USD 100,768 (30 June 2020: USD Nil) An equal change in the opposite direction would have decreased the net assets attributable to holders of redeemable participating shares by an equal but opposite amount.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

*For the year ended 30 June 2021*

**8. Risk arising from financial instruments**

**(ii) Foreign currency risk**

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. As a result of investment in obligations involving currencies of various countries, the value of the assets of a Sub-Fund as measured in the Sub-Fund's base currency will be affected by changes in currency exchange rates, which may affect a Sub-Fund's performance independent of the performance of its securities investments. A Sub-Fund may or may not seek to hedge all or any portion of its foreign currency exposure. However, even if a Sub-Fund attempts such hedging techniques, it is not possible to hedge fully or perfectly against currency fluctuations affecting the value of securities denominated in non-base currencies because the value of those securities is likely to fluctuate as a result of independent factors not related to currency fluctuations.

Currency exchange rates may fluctuate significantly over short periods of time causing, along with other factors, a Sub-Fund's Net Asset Value to fluctuate as well. Currency exchange rates generally are determined by the forces of supply and demand in the currency exchange markets and the relative merits of investments in different countries, actual or anticipated changes in interest rates and other complex factors, as seen from an international perspective. Currency exchange rates also can be affected unpredictably by intervention or failure to intervene by governments or central banks or by currency controls or political developments throughout the world. To the extent that a substantial portion of a Sub-Fund's total assets, adjusted to reflect a sub-Fund's net position after giving effect to currency transactions, is denominated in the currencies of particular countries, the Sub-Fund will be more susceptible to the risk of adverse economic and political developments within those countries.

**DSP India Equity Fund**

	30 June 2021 Non-monetary US\$	30 June 2021 Monetary US\$	Change in currency rate %	Effect on NAV US\$
Currency				
Euro	-	(17,405)	5	(870)
Indian Rupee	2,015,353	298,020	5	115,668
	2,015,353	280,615	-	114,798

As at 30 June 2021, the DSP India Bond Fund has not yet commenced operations.

Comparative figures are not applicable as the ICAV had not commenced operations in prior years.

**(iii) Interest rate risk**

This is the risk that interest rates will change (with strong influence on prices of fixed income instruments and some influence on prices of other instruments).

Interest rate risk is the risk (as a variability in value) borne by an interest-bearing asset, typically a bond, due to the variability of interest rates. In general, as rates rise, the price of a fixed rate bond will fall, and vice versa. Interest rate risk is commonly measured by the bond's duration.

There is no significant interest rate risk as the portfolio of ICAV only contains equities.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

*For the year ended 30 June 2021*

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**8. Risk arising from financial instruments (continued)**

**(b) Credit risk**

Credit risk is the risk of financial loss to the ICAV if a counterparty to a financial instrument fails to discharge an obligation or commitment that it has entered into with the ICAV. Credit risk is generally higher when a non-exchange traded financial instrument is involved because the counterparty for non-exchange traded financial instruments is not backed by an exchange clearing house.

The ICAV will be exposed to the credit risk of the counterparties with which, or the brokers and dealers and exchanges through which, it deals, whether it engages in exchange-traded or off-exchange transactions.

The ICAV reduces its counterparty credit exposures through ensuring securities trading is conducted primarily on recognised exchanges and on a delivery-versus-payment basis, and only using brokers which have been approved by the Manager as an acceptable counterparty. To manage credit exposures, the ICAV primarily use credit limits. In general, the limits applied (expressed as a percentage of the relevant Sub-Fund's NAV) are 10% to individual issuers, 5% to individual counterparties and 20% to deposit taking financial institutions. Lower limits may be applied to individual issuers or counterparties if the Investment Manager feels it prudent to do so.

The ICAV's assets are safeguarded and held by the Depositary. The Investment Manager analysed the credit risk of the ICAV's Depositary prior to appointment and continues to monitor developments in its credit quality subsequently. HSBC Bank Plc is the holding company of the Depositary, HSBC Continental Europe (Standard & Poor's: A+).

**(c) Liquidity risk**

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The ICAV is exposed to daily cash redemptions of redeemable participating shares and monitors this activity to ensure that funds are available to meet the redemption requirements.

The ICAV's actively traded securities are considered to be readily realisable as they are actively traded on recognised stock exchanges. The ICAV may at any time, temporarily suspend the issue, valuation, sale, purchase and/or redemption of Shares in any Sub-Fund during certain periods which are outlined in the Prospectus.

## DSP Global Funds ICAV

### NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2021

#### 8. Risk arising from financial instruments (continued)

##### (c) Liquidity risk (continued)

The table below analyses the ICAV's financial liabilities into relevant maturity groupings based on the remaining period at the Statement of Financial Position date to the contractual maturity date.

##### DSP India Equity Fund

30 June 2021	Less than 1 month USD	1 month- 6 months USD	No stated maturity USD	Total USD
<b>Liabilities</b>				
Investment management fee payable	772	-	-	772
Management fee payable	17,405	-	-	17,405
Administration fee payable	8,072	-	-	8,072
Audit fees payable	7,216	-	-	7,216
Depositary fee payable	4,397	-	-	4,397
Provision for capital gains tax	-	-	18,231	18,231
Other payables	28,392	-	-	28,392
Net assets attributable to holders of redeemable participating shares	2,312,428	-	-	2,312,428
<b>Total Liabilities</b>	<b>2,378,682</b>	<b>-</b>	<b>18,231</b>	<b>2,396,913</b>

As at 30 June 2021, the DSP India Bond Fund has not yet commenced operations.

Comparative figures are not applicable as the ICAV had not commenced operations in prior years.

#### 9. Exchange rates

The following exchange rates were used to translate assets and liabilities into USD:

	30 June 2021
Euro	0.84218
Indian Rupee	74.3465

Comparative figures are not applicable as the ICAV had not commenced operations in prior years.

#### 10. Related parties

##### (a) Transactions with key management personnel

The Key management personnel are the Directors of the ICAV.

Stephen Finn is a Director of the ICAV and an employee of the Manager which is part of the same economic group as the Secretary, Clifton Fund Consulting Limited. The Money Laundering Reporting Officer (MLRO) of the ICAV is an employee of Clifton Fund Consulting Limited.

Directors' fees, management fees and secretary fees charged during the financial year and payable as at 30 June 2021 are disclosed in note 6. MLRO fees charged during the financial year amounted to USD 2,667 of which USD 2,667 was payable as at 30 June 2021.

## DSP Global Funds ICAV

### NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2021

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#### 10. Related parties (continued)

##### (a) Transactions with key management personnel (continued)

The Directors had no direct or indirect interest in any shares in issue by the ICAV during the financial year ended 30 June 2021.

##### (b) Significant shareholders

The table below represents the number of shareholders who had an entitlement of 10% or more in shares in issue of the Sub-Fund of the ICAV as at 30 June 2021.

Sub-Fund	Number of Shareholders who own 10% or more 30 June 2021	Number of Shareholders who own 10% or more 30 June 2020
DSP India Equity Fund	3	-

As at 30 June 2021, the DSP India Bond Fund has not yet commenced operations.

Comparative figures are not applicable as the ICAV had not commenced operations in prior years.

#### 11. Soft commission

There were no soft commission arrangements affecting the ICAV during the financial year ended 30 June 2021.

#### 12. Significant events during the financial year

DSP Global Services (Mauritius) Limited has been appointed as the DSP Global Distributor of the ICAV effective 18 August 2020.

HSBC France, the depositary of the ICAV changed its name to HSBC Continental Europe with effect from 1 December 2020.

Zeidler Legal Services replaced Dillon Eustace as Legal Adviser as to Irish Law with effect from 11 November 2020.

An updated prospectus for the ICAV was published on 23 December 2020 to incorporate the changes to the Global Distributor, Foreign Portfolio Investments (FPI) Regulations and other business activities and regulatory registrations of Investment Manager. A new prospectus was published on 9 March 2021 to incorporate Sustainable Finance Disclosure Regulation (SFDR) related requirements.

The Board had also noted the operational risks that were posed to the sub-funds and their service providers due to global and local movement restrictions that were enacted by various governments due to the COVID-19 pandemic. However, the end of 2020 also marked the introduction of various vaccines to counter the spread of the pandemic and there has been significant relaxation of travel restrictions in 2021. Despite the difficulties in rolling out a vaccine programme, various countries across the globe were successful in implementing a proper vaccination programme which helped in curbing the spread of the virus. The ICAV is invested in the Indian capital markets and the Indian Government had to accelerate its vaccination programme, which was done promptly, and this helped in curtailing the spread of the virus. The Board is continuously monitoring the situation.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

*For the year ended 30 June 2021*

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**12. Significant events during the financial year (continued)**

DSP India Equity fund has successfully registered all its share classes with HM Revenue & Customs (UK) for entry into the Reporting Fund Regime Regulation 51 of The Offshore Funds (Tax) Regulations 2009 with effect from 31 December 2020.

On account of COVID-19 impact, the sub-fund “DSP India Equity Fund” launch got delayed and was launched on 15 March 2021. The investment strategy offered under this sub-fund is a value proposition for the investors and thus the Investment Manager is targeting to scale up the sub-Fund to at least USD 100 million in the next 12 months. This milestone is expected to accelerate the next phase of growth of the Sub-Fund.

Further in order to enhance the confidence of the investors and distributors, the Investment Manager to this sub-fund has seeded the sub-fund USD 3 million.

There were no other significant events that have occurred in respect of the ICAV during the financial period.

**13. Efficient portfolio management**

The Investment Manager may, on behalf of a Sub-Fund, engage in techniques and instruments relating to transferable securities and money market instruments for efficient portfolio management purposes within the conditions and limits laid down in the Central Bank Requirements.

In relation to efficient portfolio management operations, the Investment Manager will look to ensure that the techniques and instruments used are economically appropriate in that they will be realised in a cost-effective way and that the risks associated with such instruments are adequately covered by the risk management process of the relevant Sub-Fund.

The ICAV did not use any such techniques and instruments during the financial year.

**14. Commitment and contingencies**

The Directors are not aware of any existing contingent commitments or liabilities as at 30 June 2021 and 30 June 2020. As at 30 June 2021 and 30 June 2020, the Board is not aware of any restriction regarding free negotiability or any asset which is restricted by statutory or contractual requirements.

**15. Events since the financial year end**

Pramodprakash Singh and James Leighton were appointed to the Board of Directors on 3 September 2021 and 6 September 2021 respectively.

Thornbridge Investment Management LLP resigned as a Global Distributor of the ICAV effective 3 September 2021.

There were no other significant events that have occurred in respect of the ICAV subsequent to the financial year end.

**16. Approval of financial statements**

The financial statements were approved and authorised for issue by the Board of Directors on 13 October 2021.



## DSP Global Funds ICAV

### Schedule of Investments

As at 30 June 2021

#### DSP India Equity Fund

##### Transferable securities admitted to official stock exchange listing

Holdings	Financial assets at fair value through profit or loss	Fair Value USD	% of Net Asset Value
<i>Investments in securities at fair value</i>			
	<b>Basic Materials</b>	<b>236,493</b>	<b>10.23</b>
624	Atul	75,353	3.26
8,995	Chambal Fertilizers & Chemicals	37,095	1.60
5,374	Coromandel International	65,120	2.82
1,592	Dhanuka Agritech	20,563	0.89
392	SRF	38,362	1.66
	<b>Consumer Goods</b>	<b>440,361</b>	<b>19.04</b>
2,759	Balkrishna Industries	83,097	3.59
2,824	Bata India	60,652	2.62
899	Eicher Motors	32,300	1.40
5,496	Emami Limited	41,423	1.79
14,829	Exide Industries	36,371	1.57
1,574	Godrej Consumer Products	18,424	0.80
3,013	Hatsun Agro Product	36,219	1.57
2,087	Phoenix Mills	22,882	0.99
1,175	Polycab India	31,214	1.35
1,007	Symphony	13,933	0.60
1,485	Vardhman Textiles	27,313	1.18
1,215	Whirlpool of India	36,533	1.58
	<b>Consumer Services</b>	<b>52,037</b>	<b>2.25</b>
1,256	Jubilant Foodworks	52,037	2.25
	<b>Financials</b>	<b>431,433</b>	<b>18.66</b>
9,783	Cholamandalam Investment and Finance	67,537	2.92
27,428	City Union Bank	61,462	2.66
41,429	Federal Bank	48,536	2.10
5,339	ICICI Bank	45,306	1.96
33,765	Manappuram Finance	76,639	3.31
5,691	Max Financial Services	81,170	3.51
3,745	SBI Life Insurance Company	50,783	2.20
	<b>Healthcare</b>	<b>151,412</b>	<b>6.55</b>
3,594	Alembic Pharmaceuticals	47,577	2.06
813	Alkem Laboratories Limited	34,986	1.51
2,526	IPCA Laboratories	68,849	2.98
	<b>Industrials</b>	<b>474,282</b>	<b>20.51</b>
1,707	AIA Engineering	49,138	2.12
5,200	Bharat Forge	53,289	2.30
2,889	Container	27,137	1.17
4,188	Finolex Cables	29,281	1.27

## DSP Global Funds ICAV

### Schedule of Investments (continued)

As at 30 June 2021

#### DSP India Equity Fund (continued)

##### Transferable securities admitted to official stock exchange listing (continued)

Holdings	Financial assets at fair value through profit or loss	Fair Value USD	% of Net Asset Value
<b>Investments in securities at fair value</b>			
<b>Industrials (continued)</b>			
9,519	Finolex Industries	23,552	1.02
4,210	Madras Cement	58,085	2.51
1,350	Siemens India	36,699	1.59
1,505	Sheela Foam	45,156	1.95
2,596	Supreme Industries Limited	75,574	3.27
3,568	Techno Electric & Engineering	15,873	0.69
63	Timken India	1,245	0.05
1,533	V Guard Industries	5,467	0.24
3,911	Voltas	53,786	2.33
<b>Oil &amp; Gas</b>		<b>36,400</b>	<b>1.57</b>
8,117	Gujarat State Petronet	36,400	1.57
<b>Technology</b>		<b>163,295</b>	<b>7.06</b>
3,067	Infosys	65,212	2.82
1,508	Mindtree	52,747	2.28
100	Mphasis BFL	2,871	0.12
5,801	Sterlite Technologies	20,630	0.89
5,214	Zensar Technologies	21,835	0.95
<b>Utilities</b>		<b>29,640</b>	<b>1.28</b>
3,335	Gujarat Gas	29,640	1.28
Total financial assets designated at fair value through profit or loss (Cost: USD 1,928,326)		2,015,353	87.15
Cash and cash equivalents		316,643	13.69
Other net liabilities		(19,568)	(0.84)
Total net assets attributable to redeemable participating shareholders		2,312,428	100.00
<b>Analysis of Total Assets</b>		<b>Fair Value USD</b>	<b>% of Total Assets</b>
Transferable securities admitted to an official stock exchange listing		2,015,353	84.08
Other current assets		381,560	15.92
<b>Total</b>		<b>2,396,913</b>	<b>100.00</b>

## DSP Global Funds ICAV

### Schedule of Changes in Investments (Unaudited)

For the year ended 30 June 2021

Purchases	Cost in USD	Sales	Proceeds in USD
Supreme Industries Limited	75,390		
Balkrishna Industries	74,821		
Cholamandalam Investment and Finance	74,447		
Manappuram Finance	73,526		
Max Financial Services	73,230		
Atul	70,669		
IPCA Laboratories	69,474		
City Union Bank	61,775		
Bata India	60,288		
Coromandel International	59,922		
Infosys	59,022		
Madras Cement	58,434		
Voltas	53,796		
Jubilant Foodworks	52,795		
SBI Life Insurance Company	48,488		
Alembic Pharmaceuticals	47,645		
Bharat Forge	47,450		
Mindtree	46,751		
Federal Bank	46,382		
AIA Engineering	45,538		
ICICI Bank	44,308		
Sheela Foam	43,421		
Emami Limited	38,941		
Exide Industries	37,822		
Whirlpool of India	37,303		
Siemens India	35,727		
SRF	34,711		
Hatsun Agro Product	34,532		
Alkem Laboratories Limited	33,096		
Chambal Fertilizers & Chemicals	32,756		
Eicher Motors	32,487		
Gujarat State Petronet	32,358		
Polycab India	28,886		
Gujarat Gas	26,922		
Vardhman Textiles	26,850		
Container	24,828		
Finolex Cables	24,432		
Phoenix Mills	22,398		
Zensar Technologies	21,497		

The Schedule of Changes in Investments reflects the aggregate purchases of a security exceeding one percent of the total value of purchases and aggregate disposals of a security greater than one percent of the total sales for the year. At a minimum the 20 largest purchases and 20 largest sales must be given. Where there are less than 20 purchases and sales during the year that meet the above criteria, all of the purchases and sales have been disclosed.

## DSP Global Funds ICAV

### Other Additional Disclosures (Unaudited)

For the year ended 30 June 2021

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#### UCITS V Remuneration Disclosure

Remuneration policies and practices

The Information provided below relates to the Manager.

The Manager has designed and implemented a remuneration policy (the "Policy") in line with the provisions of S.I. 257 of 2013 European Union (Alternative Investment Fund Managers) Regulations 2013 ("AIFM Regulations"), S.I. 352 of 2011 European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (as amended) ("UCITS Regulations") and of the ESMA Guidelines on sound remuneration policies under the UCITS Directive and AIFMD (the "ESMA Guidelines").

The Manager's remuneration policy applies to its identified staff whose professional activities might have a material impact on the ICAV's risk profile and so covers senior management, risk takers, control functions and any employees receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers and whose professional activities have a material impact on the risk profile of the ICAV. The Manager's policy is to pay identified staff a fixed component with the potential for identified staff to receive a variable component. It is intended that the fixed component will represent a sufficiently high proportion of the total remuneration of the individual to allow the Manager to operate a fully flexible policy, with the possibility of not paying any variable component. When the Manager pays a variable component as performance related pay certain criteria, as set out in the Manager's remuneration policy, must be adhered to. The various remuneration components are combined to ensure an appropriate and balanced remuneration package that reflects the relevant staff rank and professional activity as well as best market practice. The Manager's remuneration policy is consistent with, and promotes, sound and effective risk management and does not encourage risk-taking which is inconsistent with the risk profile of the funds it manages.

These disclosures are made in respect of the remuneration policies of the Manager. The disclosures are made in accordance with the ESMA guidelines.

Total remuneration (in EUR) paid to the identified staff of the Manager fully or partly involved in the activities of the ICAV that have a material impact on the ICAV's risk profile during the financial year to 31 December 2020 (the Manager's financial year):

	31 December 2020 EUR
<b>Fixed remuneration</b>	
Senior management	875,842
Other identified staff	-
<b>Variable remuneration</b>	
Senior management	94,667
Other identified staff	-
Total remuneration paid	<u>970,509</u>

No. of identified staff: 10

## DSP Global Funds ICAV

### Other Additional Disclosures (Unaudited) (continued)

For the year ended 30 June 2021

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#### UCITS V Remuneration Disclosure (continued)

Remuneration policies and practices (continued)

The Information provided below relates to the Investment Manager.

DSP Investment Managers Pvt. Ltd., has been appointed as the Investment Manager to the ICAV (the "Investment Manager"). The Investment Manager has remuneration policies and practices which apply to its staff whose professional activities might have a material impact on the ICAV's risk profile and so covers senior management, risk takers, control functions and any employees receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers and whose professional activities have a material impact on the risk profile of the ICAV ("Identified Staff") which it believes are: (i) consistent with and promote sound and effective risk management and do not encourage risk-taking which is inconsistent with the investment objectives and policies and the investment restrictions of the ICAV and (ii) appropriate to the size, internal organisation and the nature, scope and complexity of the Investment Manager's activities.

The current remuneration practices of the Investment Manager provide that variable remuneration is paid to the Identified Staff of the Investment Manager based, among other things, on the overall performance of the Investment Manager's group, the overall performance of the Investment Manager and the relevant individual's overall contributions to that performance.

The Investment Manager does not pay guaranteed variable remuneration to the staff responsible for managing the assets of the ICAV.

Total remuneration paid to the identified staff of the Investment Manager fully or partly involved in the activities of the ICAV that have a material impact on the ICAV's risk profile during the financial year ended 30 June 2021:

	30 June 2021 USD
Fixed remuneration	105,622
Variable remuneration	128,366
Total remuneration paid	<u>233,988</u>

Total number of Identified Staff – 9

## **ADDITIONAL INFORMATION FOR INVESTORS IN SWITZERLAND**

### **1. Distribution to Qualified Investors:**

The ICAV has not been and shall not be approved by the Swiss Financial Market Supervisory Authority ("FINMA") as a foreign collective investment scheme pursuant to Article 120 of the Swiss Collective Investment Schemes Act of 23 June 2006 (the "CISA"), as amended. The ICAV and the Funds are only intended for qualified investors in Switzerland as set out under Article 10 paragraphs 3 and 3ter of the CISA as revised, respectively professional clients as defined in Article 4 paragraphs 3 to 5 and Article 5 paragraphs 1 and 4 of the Swiss Financial Services Act of 15 June 2018 ("FinSA"), as amended ("Swiss Qualified Investors"). Recipients of the document in Switzerland should not pass it to anyone without first consulting their legal or other appropriate professional adviser, or the Representative (as defined below).

As from the 5th February 2021, only the **DSP India Equity Fund** is compliant with Swiss law for offering to Qualified Investors in Switzerland.

### **2. Representative in Switzerland:**

The representative in Switzerland is **CARNEGIE FUND SERVICES S.A.**, 11, rue du Général-Dufour, 1204 Geneva, Switzerland, Tel.: + 41 (0)22 705 11 73, Fax: + 41 (0)22 705 11 79.

### **3. Paying Agent in Switzerland:**

The paying agent in Switzerland is **BANQUE CANTONALE DE GENÈVE**, 17, quai de l'Île, 1204 Geneva, Switzerland.

### **4. Location where the relevant documents may be obtained**

The Prospectus, the Instrument of Incorporation, as well as the annual and semi-annual reports may be obtained free of charge from the Representative.

This document may only be issued, circulated or distributed so as not to constitute an offering to the general public in Switzerland. Recipients of the document in Switzerland should not pass it on to anyone without first consulting their legal or other appropriate professional adviser, or the Swiss representative.

### **5. Performance data**

Each time performance data is published, it should be noted that the past performance is no indication of current or future performance and that it does not take account of the commissions and costs incurred on the issue and redemption of shares.

### **6. Place of performance and jurisdiction**

In respect of the Shares offered in Switzerland, the place of performance is at the registered office of the representative in Switzerland. The place of jurisdiction is the registered office of the representative or the registered office or place of residence of the investor.