30 Nov 2021

DSP INDIA EQUITY FUND

DSP INVESTMENT MANAGERS

INVESTMENT STRATEGY

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

PERFORMANCE TRACK RECORD

USD CAGR Performance as on 30 Nov 2021	1-Year *27-Nov-20*	3-Years *30-Nov-18*	5-Years *30-Nov-16*	8-Years *29-Nov-13*	10-Years *30-Nov-11*	Since Inception *14-Nov-06*
DSP Strategy	27.52%	17.20%	13.79%	18.55%	15.04%	11.58%
Average India UCITS fund	30.75%	14.04%	12.02%	11.90%	10.37%	7.26%
MSCI India USD	34.09%	14.73%	14.21%	10.98%	9.76%	6.77%
20:80 Composite Index	49.92%	18.22%	14.91%	16.02%	12.33%	7.53%

Source: Internal. Please refer footnote for the disclaimers.

KEY FUND CHARACTERISTICS

Fund: DSP India Equity Fund

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

Investment Manager: DSP Investment Managers Private Limited

Investment Area: India Equities

Total Firm Assets (DSP Investment Managers): $17.1bn as of 30 Nov 2021

Total Sub Fund Assets: ~$8.4 mn as of 30 Nov 2021

Strategy AUM: ~US$ 1,844 mn as of 30 Nov 2021

Share Class: Seed Class

Launch Date: 15 March 2021

Base currency: USD

Currency Classes: Available USD and EUR

Domicile: Ireland

Dealing Day (DD): Daily

Notice (Subscription Redemption): 9:30 pm (Irish time) on the relevant DD

Website: https://www.dspindia.com/ucits

Prospectus and KIID: Link

Settlement (Subscription): After 3 business days from DD

Settlement (Redemption): Within 5 business days from DD

Management Company: KBA Consulting Management Limited

Auditors and Tax Advisors: Grant Thornton

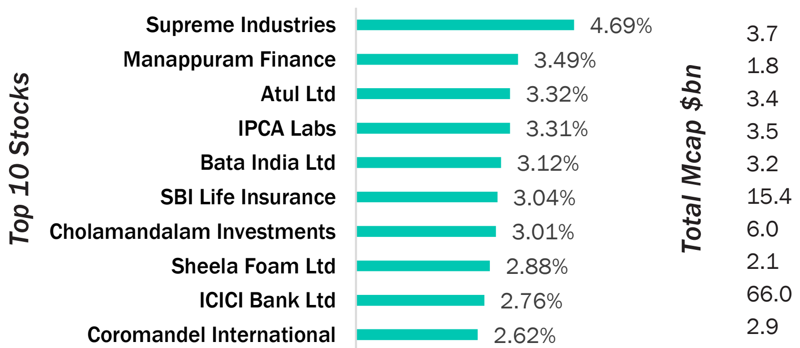
Legal Advisor to the ICAV as to Irish law: Zeidler Legal Services

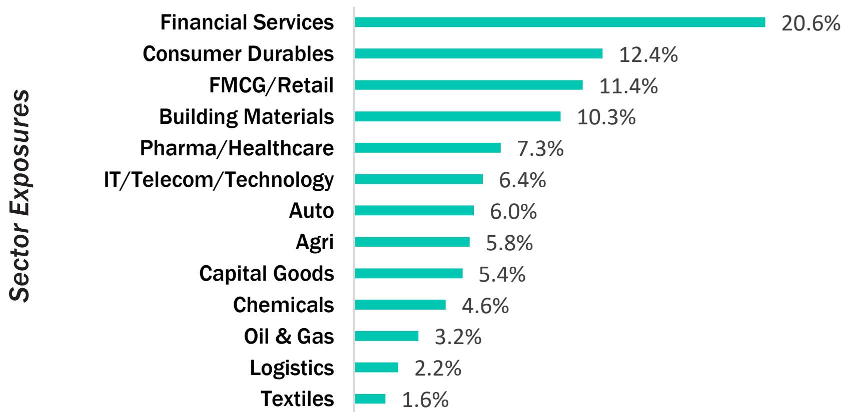
Global Distributors: Thornbridge Investment Management LLP; DSP Global Services (Mauritius) Limited

Administrator: HSBC Securities Services (Ireland) DAC

ISIN: IE00BK0WZ337

PORTFOLIO CHARACTERISTICS





Portfolio Metrics*	FY21	FY22E	FY23E
EPS Growth	15.4%	21.4%	23.5%
P/BV	8.4	7.2	6.1
ROE	18%	19%	19%

Fund Construct	Details
Number of Stocks	51
Portfolio Turnover (last 12m)	27% *(for DSP Strategy)*
Cap-wise split *(for DSP Strategy)*	Small Cap – 70.5%, Mid Cap – 19.2%, Large Cap – 7.6%, Cash – 2.7%

*The portfolio metrics displayed are estimates of the anticipated development of the portfolio holdings when measured against certain metrics. Some computations may also have extreme values removed from the calculations. These estimates are not intended to be an estimate or representation of future performance of the fund. The investment which is herein promoted concerns the acquisition of shares in a UCITS fund and not in a given underlying asset such as shares of a company as these are only the underlying assets owned by the fund. The Fund is actively managed by the Investment Manager without reference to a benchmark index. Note: S.I. is Since Inception of DSP Strategy. The 'average India UCITS returns' refers to the average returns of all India focused UCITS equity funds listed on Bloomberg. The Custom 20:80 Composite Index, the benchmark for the ICAV is a customized 20% MSCI India Index and 80% MSCI India Small Cap Index. It is not possible to invest directly in an index. Past performance is not a reliable indicator of future results. The Fund is subject to capital gain tax in India whereas the return/performance shown for the DSP Strategy is not subject to such tax.

^THE DSP STRATEGY HAS BEEN IMPLEMENTED SINCE 14 NOV 2006, AUM ~US$ 1.8 BN, AS ON 30 NOV 2021 THROUGH CERTAIN PRODUCTS MANAGED BY DSP INVESTMENT MANAGERS PVT. LTD., WHICH ARE NOT AVAILABLE FOR INVESTMENT IN ANY JURISDICTION EXCEPT FOR INDIA.

DSP INDIA EQUITY FUND

DSP
INVESTMENT MANAGERS

FUND MANAGER COMMENTARY

You own great businesses through this fund. It is our strong data-backed view that these companies continue to execute robustly in their respective industries, and have a large medium to long term opportunity. This gives them a right to win in their core markets.

The outcome - long term wealth creation - is our primary goal. We believe in focusing on our process, and maintaining our discipline gives us the best chance to deliver alpha to our investors. Our framework and investment philosophy acts as our North Star.

Our focus consistently has been on evaluating businesses and testing our hypotheses. If we get those right, over time performance takes care of itself. We believe that our long-term orientation and our approach of thinking of our holdings as businesses we own (rather than "stocks" we trade) prevent us from making sharp, sudden changes to our portfolio. A bull markets lift all boats, but they lift poor quality ones more. For instance, from the lows of Apr 2020 in India, the Nifty Midcap 150 Quality benchmark has underperformed Nifty Midcap 100 by 38.5%. The difference in this quality reasserts itself during inevitable corrections over time.

We want to be upfront with you, that our performance has not been great this past year. The mirror fund DSP Strategy is up 27.5%, while the 80/20 composite benchmark* is up 49.9% and the MSCI India is up 34.1%. However, we are not worried, as we have seen similar temporary periods of detraction in the past which reverts to mean eventually. For instance, in CY2017, DSP Strategy underperformed the benchmark* by about 12.5%. Back then, our holdings in Specialty Chemicals like Atul and SRF underperformed during that period. We not only increased our position in these names respectively, we also added PI Industries and Aarti Industries, two other sector leaders. Over the next two years (CY 2018, 2019) DSP Strategy delivered 13.6% outperformance against the benchmark* driven partly by these holdings.

Although our sector weights are an outcome of bottom up stock selection, Financials is our current top sector by weight and it continues to show positive traction. The asset quality is showing sequential improvement after Covid related challenges over the last one year along with lower credit cost and higher provisioning. With the economy normalizing and activity rebounding, the stage is set for credit growth to rise which would help improve net interest margins for banks. Over the last few years, credit growth in India has lagged deposit growth which is expected to reverse, giving a boost to financials. Within this sector, we own not just some high quality banks, but also leading insurance companies, a gold financier, and NBFCs (non-banking financial companies). In the '*Stock Spotlight*' section below, this month we have highlighted for you one of the banks we own, viz. City Union Bank, and why it really excites us.

We are also very optimistic on the Retail and Consumer Durables themes, and believe each of the companies we own here - whether into footwear, quick service restaurants, shopping malls, mattresses or wires and cables manufacturers among others – all have long runways of growth. It is not just growth that draws us to these companies but also their positions of leadership. Each of the companies in the fund are either revenue leaders or products leaders or cost leaders, and also exceptionally good in reinvesting capital at healthy incremental rates of return.

STOCK SPOTLIGHT

CITY UNION BANK

City Union Bank is a large player in Small & Medium Enterprises (SME) lending in South India and is in operation for the last 117 years.

Its biggest strength has been to cater to the high-yielding SME segment, while simultaneously managing asset quality well. 99% of its loan book is secured and historical loss given defaults have been just 30% due to high collateral values.

A fact unknown to many, is that this stock (10Y CAGR pre-COVID 29%) has created more wealth for its shareholders compared to even private sector leader HDFC Bank (10Y CAGR pre-COVID 22%)!

Its loan book has grown at a CAGR of 17% over the last 10 years and has a superlative track record of delivering an average ROA of 1.5% over the same period (which not many banks were able to do).

Due to the pandemic however, the bank reported its first (and only) quarterly loss in Mar-20, owing to increased provisioning (i.e. capital set aside to cover potential bad loans).

The long-term superior track record and our on ground research and channel checks gives us confidence that the bank would be able to overcome these challenges. The stock appears cheap to us (trailing 12 month price/book of 1.9X), and our view is that the bank will revert to normalcy in the next few quarters. We increased our position in the stock by 50% during the year.

*The Custom 20:80 Composite Index, the benchmark for the ICAV is a customized 20% MSCI India Index and 80% MSCI India Small Cap Index. It is not possible to invest directly in an index. Past performance is not a reliable indicator of future results.

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MARKET UPDATE

Just when we thought Covid might be taking a backseat, a new variant is on the loose. Many investors have asked us about the impact of Omicron on India, so we thought to address it upfront. The govt. has reinforced the need to vaccinate the whole population and announced revised travel guidelines for international passengers (72 hour negative RTPCR test + 7 day home quarantine etc.). Nearly 1.24bn vaccine doses have been administered, split as ~790m first dose and ~450m second dose. At the current pace of ~7m jabs a day, all adults (~940m) should be covered in ~3 months. It's not clear yet if the current vaccines will suffice for Omicron, and this data will probably emerge in the coming weeks. No booster shots have been given in India, but there is expectation of a policy around this to be announced shortly, starting with immuno-compromised patients. As such, the number of Covid cases in India remains controlled at ~8k a day, compared to the peak of ~440k. Mobility is almost back to pre-pandemic levels, and this is boosting the services economy, which in turn is reflected in the Sep'21-quarter GDP growth of 8.4% YoY (mainly driven by private consumption). Would international travel curbs impact tourism? Perhaps, but tourism is a small share of the economy (~1.1% of GDP in 2019).

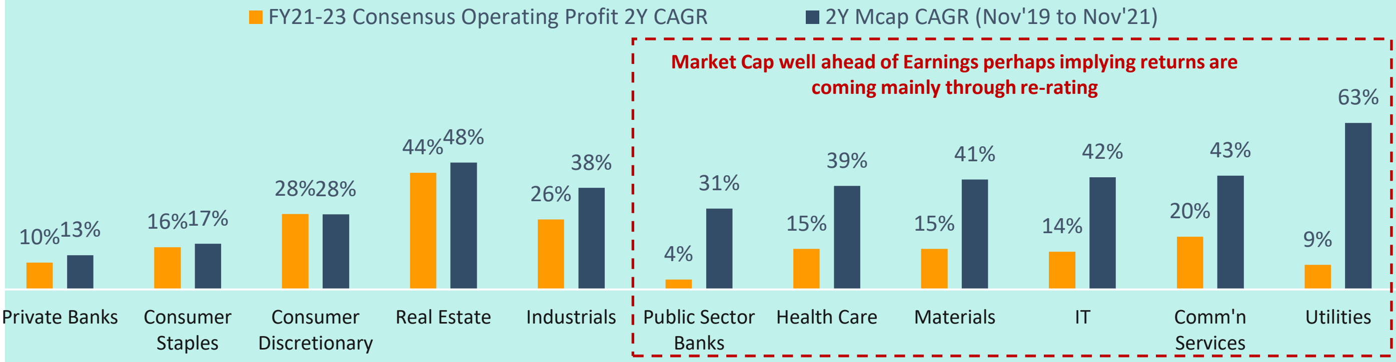
A correction, finally: Investors have been looking to add to India on a dip, but there just hasn't been one, until now. The MSCI India index is down ~6.8% (USD terms) from its recent peak, while the MSCI India Small Cap index is down ~9.3%. Last Friday's Omicron related (global) market correction led to a single day decline of ~3.5% and ~3.4% for these two indices respectively. Both indices have still performed very well CYTD21 though, up 20.7% and 43.5%. The recent correction in the Nifty 50 index, coupled with marginal earnings upgrades, means the 12-month forward PE has come off to 20.4x from the recent peak of 22.9x. Consensus estimates imply an EPS growth of ~37% and ~18% in FY22E and FY23E respectively. We undertook a sector-wise analysis of the top 200 companies, comparing their profit estimates to their price moves in order to identify pockets of excess valuations (please see *Chart of the Month* below). On flows, FPIs this year have preferred primary issuances (IPOs/QIPs). In Nov21/CYTD21, FPIs bought ~USD 3.7bn / 9.0bn in primaries but sold USD 4.0bn / 2.2bn in the secondary market. Domestic funds have held up well, with monthly systematic flows into MFs the strongest ever at USD 1.4bn.

Interesting result trends: Continuing from our earnings season write up last month, now that the results period is over:

1. Metals: We know commodities globally have done well. The largest Indian steel producer's stock price has rallied ~80% in the last year, driven by steel prices (+50%) in the same period. However, increased RM costs (coking coal, iron ore) impacted margins this quarter. Strong cash generation in the year has seen deleveraging: from 5.5x NetDebt/EBITDA to 2.2x now. The largest aluminium producer posted a 2Y EBITDA CAGR of 45% driven by realizations and cost control.
2. Pharma: Indian companies broadly cater to a) the domestic market and b) US (generics). The largest India formulations player reported a healthy 2Y CAGR of 13%. On the other hand, most companies selling US generics faced price erosion.
3. Construction: Improving road connectivity remains a key infra development priority for the govt., having allocated USD 24bn to this sector in the annual budget. A financially robust mid-cap player we track reported a 36% YoY rise in its order book, and its highest ever EBITDA margin of 22%.
4. New age companies: Many tech 'unicorns' saw bumper IPOs in the recent months. This quarter was their first post-listing reporting season. As is the case globally as well, valuations for such assets tend to be predicated on growth rather than profitability. A restaurant aggregator, an online beauty retailer and a fintech player saw top-line YoY growth of ~140%, ~47% and ~64% respectively. High marketing costs (*aka* cash burn) led to a fall in profits, or a swelling in losses.

We wish you and your loved ones a wonderful festive season ahead and a very Happy New Year!

Chart of the Month: A comparison of 2Y Market Cap CAGR vs Forward Operating Profit CAGR for the BSE 200 companies. Gives us a sense of which sectors might be seeing valuation excesses.



Sources: Internal, Bloomberg, Elara, GS, Nomura; FPI is Foreign Portfolio Investor. FY is Financial Year, CYTD21 – Calendar Year to Date; FY21 is 12 months to 31st March 2021, YoY is Year over Year; 2Y - 2 Year; CAGR Compounded Annual Growth Rate; RM is Raw Materials; PE is Price to Earnings ratio; MF is Mutual Fund; IPO – Initial Public Offering; QIP – Qualified Institutional Placements

AVAILABLE SHARE CLASSES

Shares Class	CCY	Distribution Policy	Launch Date	Initial Offer Price	Minimum Holding	Minimum Initial Subscription	Redemption Fee
Seed Class*	USD	Accumulation	15 March 2021	10 USD	1,00,000 USD	1,00,000 USD	None
Class A Unhedged	USD	Accumulation	August 2021	10 USD	1000 USD	1000 USD	None
Class A Unhedged	EUR	Accumulation	-	10 EUR	1000 EUR	1000 EUR	None
Founder Class**	USD	Accumulation	-	10 USD	1,00,000 USD	1,00,000 USD	None

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

**The Founders Class is a founders share class and will be open for subscriptions until the Class reaches US$50 million in net assets or such other period as may be determined by the Directors.

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REGULATORY PERFORMANCE DEPICTION

Performance In Prescribed Regulatory Format	27/11/2020 to 30/11/2021	29/11/2019 to 27/11/2020	30/11/2018 to 29/11/2019	30/11/2017 to 30/11/2018	30/11/2016 to 30/11/2017
MSCI India Index	34.09%	6.46%	5.82%	-2.65%	32.19%
MSCI India Small Cap Index	53.88%	13.13%	-2.91%	-22.42%	54.01%
DSP Strategy	27.52%	18.55%	6.53%	-15.14%	39.61%

POTENTIAL RISKS

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

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

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

DISCLAIMERS

In this material DSP Global Funds ICAV (the “Fund”) has used information that is publicly available, including information developed in-house. Information gathered and used in this material is believed to be from reliable sources. The Fund however does not warrant the accuracy, reasonableness and or completeness of any information. The data/statistics are given to explain general market trends in the securities market, it should not be construed as any research report/research recommendation. We have included statements opinions recommendations in this document, which contain words, or phrases such as “will”, “expect”,“ should”, “believe” and similar expressions or variations of such expressions that are “forward looking statements”. Actual results may differ materially from those suggested by the forward looking statements due to risk or uncertainties associated with our expectations with respect to, but not limited to, exposure to market risks, general economic and political conditions in India and other countries globally, which have an impact on the Fund and its investments, the monetary and interest policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices etc. The sector(s)/stock(s)/issuer(s) mentioned in this presentation do not constitute any research report/recommendation of the same and the Fund may or may not have any future position in these sector(s)/stock(s)/issuer(s). All figures and other data given in this document are as on November 30, 2021 (unless otherwise specified) and the same may or may not be relevant in future and the same should not be considered as solicitation/ recommendation/guarantee of future investments by the Fund or its affiliates.

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

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

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