

## 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

The DSP Strategy^ has generated alpha in 3Y, 8Y, 10Y and Since Inception periods

USD CAGR Performance as on 29 Oct 2021	1-Year 30-Oct-20	3-Years 31-Oct-18	5-Years 28-Oct-16	8-Years 31-Oct-13	10-Years 31-Oct-11	Since Inception 14-Nov-06
DSP Strategy	49.89%	22.41%	12.39%	19.62%	13.49%	11.93%
Average India UCITS fund	48.88%	18.17%	10.51%	12.08%	9.11%	7.51%
MSCI India USD	50.21%	19.82%	13.13%	10.94%	8.20%	7.03%
20:80 Composite Index	72.34%	22.37%	13.09%	16.35%	10.42%	7.72%

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): \$17.4bn as of 29 Oct 2021

Total Sub Fund Assets: ~\$7.1 mn as of 29 Oct 2021

Strategy AUM: ~US\$ 1,904 mn as of 29 Oct 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

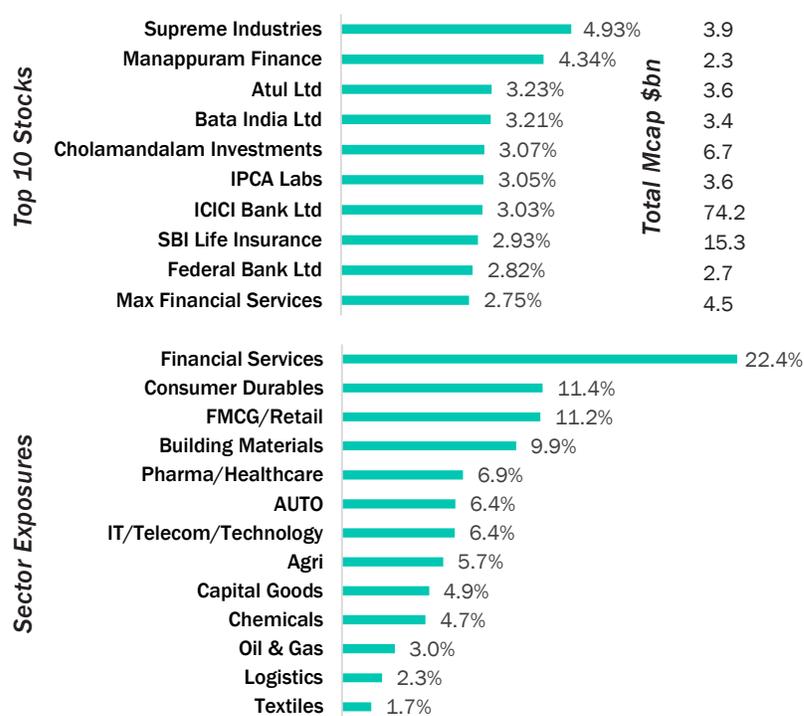
Legal Advisor to the ICAV as to Irish law: Zeidler Legal Services

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	15.04%	22.1%	23.5%
P/BV	9.1	7.7	6.6
ROE	17%	18%	19%

Fund Construct	Details
Number of Stocks	50
Portfolio Turnover (last 12m)	26% (for DSP Strategy)
Cap-wise split (for DSP Strategy)	Small Cap – 68.9%, Mid Cap – 20.4%, Large Cap – 7.7%, Cash – 3.0%

\*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\$ 1.9 BN, AS ON 29 OCT 2021 THROUGH CERTAIN PRODUCTS MANAGED BY DSP INVESTMENT MANAGERS PVT. LTD., WHICH ARE NOT AVAILABLE FOR INVESTMENT IN ANY JURISDICTION EXCEPT FOR INDIA.

## COMMENTARY

After 5 months of outperformance, the MSCI India index (-0.6%, USD) and the MSCI India Smallcap index (-1.5%) underperformed the MSCI EM index (+1.5%) in Oct'21. The India small and midcap indices took a bit of a beating in the last two weeks, down ~7% peak-to-trough, potentially offering opportunities for longer term investors. Since the Covid bottom, the subsequent vaccine discovery, and in CYTD21, the Indian market has been among the best performers globally. Oct'21 saw FII outflows of ~US\$ 1.5bn, while domestic MFs continue to see support from systematic flows, wherein ~USD 1.4bn in Sep'21 was the highest ever in a month. The IPO pipeline continues to be strong and more supply is expected in the coming months. In fact, YTD, FIIs have only bought ~USD 1.2bn in secondary markets, while the balance ~USD 5.3bn has been in primaries. The Nifty 50 index trades at ~22x on 12-month forward PE, i.e. over 2 standard deviations above the long term average. These valuations price-in strong earnings, and stretch the investment horizon. Nifty consensus estimates imply an EPS growth of ~36.5% and ~17.5% in FY22E and FY23E, respectively.

2QFY22 Results season underway: While we do not emphasize near term results and stock moves, we summarize (sectors covering ~70% of the index) key highlights of the earnings season, to give you a flavour of corporate India's performance.

- Consumer oriented sectors have borne the brunt of commodity prices hikes, leading to earnings misses. For instance, one of the largest paints companies posted an outstanding 22% 2Y CAGR (beating estimates by 7-8%), only to be marred by a hit to gross margins (all-time low) and EBITDA missing estimates by 30%. A leading consumer staples company saw 11% topline growth, but of that, only 4% came from volumes while the rest was from price increases. As such, pricing power remained mixed, with some firms announcing their highest ever price hikes. Speaking of which, large cement players posted better than expected realizations, which were then offset by RM costs.
- Autos were impacted by chip shortages too, apart from RM hikes - a double whammy. The largest passenger car maker for example took a 100bps hit to gross margins, and has waiting periods of 1 to 6 months depending on the car model.
- Financials: India's overall credit growth is languishing at ~6-7%, but the top private sector banks are growing at ~14-17%, with select segments like retail and business banking growing faster. Fears on asset quality, slippages etc. have largely been unfounded, with sufficient provisions in place. The public sector banks are a different (i.e. weak) story though.
- IT reported in-line results with strong demand outlook led by digitization, deal wins and cloud migration. Most companies handled margins well despite attrition and wage hikes. Midcap IT grew faster than larger players.

Covid and vaccinations: 5DMA daily cases at ~14k is ~40% lower month-on-month, while the active case load of ~150k (0.01% of India's 1.3bn population) is at an 8-month low. Despite crossing the 1 billion doses milestone recently, Oct'21 saw the daily average vaccination rate fall to ~5.6mn from ~8mn a month ago. Given a large chunk of the ~730m people who got their 1st dose received it between Jul'21-Sep'21, they will be eligible for their 2nd dose only between Nov'21-Jan'22, which is when pace of vaccination should pick up again. ~325m people have taken both doses. To tackle vaccine hesitancy and improve coverage, the govt. just launched a door to door vaccination campaign as well.

From an activity standpoint, mobility indices show a sharp rise ahead of the upcoming festive season. The dynamism of the economy proxied by wholesale banking transfers is now back to 2019 levels (we're comparing with 2019 instead of 2020 to normalize the base effect). Hiring activity in the IT sector is tracking ~70% above 2019. Exports are up ~25% on 2019 with broad strength in chemicals, textiles, agriculture and engineering goods. On that optimistic note, we wish you and your loved ones a very Happy Diwali (the festival of lights)!

Sources: Internal, Bloomberg, Elara, GS, Macquarie; 5DMA – 5 Day Moving Average; FPI is Foreign Portfolio Investor. FY is Financial Year, FY21 is 12 months to 31<sup>st</sup> March 2021, MoM is Month over Month; 2Y 2 Year; CAGR Compounded Annual Growth Rate; bps is basis points; RM is Raw Materials; PE is Price to Earnings ratio; MF is Mutual Fund

## 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
Class B Unhedged	USD	Accumulation	-	10 USD	1,00,000 USD	1,00,000 USD	None
Class B Unhedged	EUR	Accumulation	-	10 EUR	1,00,000 EUR	1,00,000 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.

^THE DSP STRATEGY HAS BEEN IMPLEMENTED SINCE 14 NOV 2006, AUM ~US\$ 1.9 BN, AS ON 29 OCT 2021 THROUGH CERTAIN PRODUCTS MANAGED BY DSP INVESTMENT MANAGERS PVT. LTD., WHICH ARE NOT AVAILABLE FOR INVESTMENT IN ANY JURISDICTION EXCEPT FOR INDIA.

### REGULATORY PERFORMANCE DEPICTION

Performance In Prescribed Regulatory Format	30/10/2020 to 29/10/2021	31/10/2019 to 30/10/2020	31/10/2018 to 31/10/2019	31/10/2017 to 31/10/2018	28/10/2016 to 31/10/2017
MSCI India Index	50.21%	-2.54%	17.46%	-12.42%	23.15%
MSCI India Small Cap Index	77.87%	0.46%	4.10%	-25.95%	34.32%
DSP Strategy	49.89%	4.30%	17.26%	-21.73%	25.07%

### POTENTIAL RISKS

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

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

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

### DISCLAIMERS

In this material DSP Global Funds ICAV (the "Fund") has used information that is publicly available, including information developed in-house. Information gathered and used in this material is believed to be from reliable sources. The Fund however does not warrant the 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 October 29, 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'Île, 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.

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

Within the European Economic Area ("EEA"), including the United Kingdom, this document is intended for professional clients only, as that term is defined in Directive 2014/65/EU ("MiFID II") on markets in financial instruments. Within Switzerland, it is intended only for qualified investors, as that term is defined in the Collective Investment Schemes Act of 23 June 2006.

None of the information contained in this document is intended to be published or made available in any jurisdiction where to do so would result in the breach of any applicable law or regulation in that jurisdiction. Under no circumstances should any information contained herein be considered as distribution or offering of shares in the fund referred to in this document in any jurisdiction in which it would be unlawful to do so without registering the fund or complying with other legal requirements. In any such jurisdiction, a recipient of this document or any accompanying material may not treat either as an invitation to subscribe for shares, nor should that recipient submit a subscription request. Notwithstanding the above, should an investor contact on its own exclusive initiative the fund manager, or any of its agents, with the intention to subscribe for shares in the fund referred to in this document, the fund manager will provide all necessary information about the fund and consider such subscription request, it being understood however that no other information shall be provided outside of the scope of the investor's original request. Where doing so would result in the breach of any applicable law or regulation in a given jurisdiction, the fund manager is entitled to refuse to provide information in response to such a request. It is the responsibility of any persons wishing to subscribe for shares to inform themselves of and to observe all applicable laws and regulations of any relevant jurisdictions. Prospective investors should inform themselves as to the legal requirements and tax consequences within the countries of their citizenship, residence, domicile and place of business with respect to the acquisition, holding or disposal of shares, and any foreign exchange restrictions that may be relevant thereto..

The information is expressed at its date. Investors should note that the Management Company may, in accordance with Article 93a of Directive 2009/65/EC (the UCITS Directive), decide at any time to terminate the arrangements made for the marketing of the Fund in any country where it has been notified for marketing.

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

**\*THE DSP STRATEGY HAS BEEN IMPLEMENTED SINCE 14 NOV 2006, AUM ~US\$ 1.9 BN, AS ON 29 OCT 2021 THROUGH CERTAIN PRODUCTS MANAGED BY DSP INVESTMENT MANAGERS PVT. LTD., WHICH ARE NOT AVAILABLE FOR INVESTMENT IN ANY JURISDICTION EXCEPT FOR INDIA.**