

## 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, 5Y, 8Y, 10Y and Since Inception periods

USD CAGR Performance as on 31 Aug 2021	1-Year 31-Aug-20	3-Years 31-Aug-18	5-Years 31-Aug-16	8-Years 30-Aug-13	10-Years 31-Aug-11	Since Inception 14-Nov-06
DSP Strategy	52.06%	15.62%	13.39%	23.72%	13.03%	12.07%
Average India UCITS fund	51.92%	11.98%	10.86%	15.15%	8.93%	7.64%
MSCI India USD	53.15%	13.35%	12.88%	13.60%	8.38%	7.12%
20:80 Composite Index	70.79%	12.88%	13.20%	19.24%	9.68%	7.61%

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): \$17.3bn as of 31 Aug 2021

Total Sub Fund Assets: ~\$7.2 mn as of 9 Sep 2021

DSP Strategy AUM: ~US\$ 1,883 mn as of 31 Aug 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

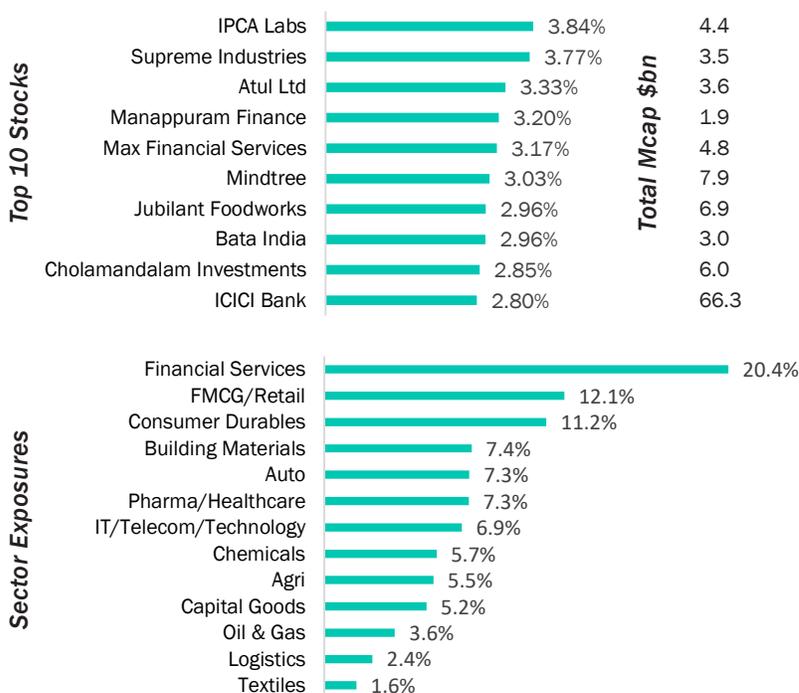
Legal Advisor to the ICAV as to Irish law: Zeidler Legal Services

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 (%)	21.5%	23.3%	26.4%
P/BV	8.1	7.0	6.0
ROE	17%	18%	19%

Fund Construct	Details
Number of Stocks	50
Portfolio Turnover (last 12m)	20% (for DSP Strategy)
Cap-wise split (for DSP Strategy)	Small Cap – 67.1%, Mid Cap – 21.0%, Large Cap – 9.3%, 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\$ 1.9 BN, AS ON 31 AUG 2021 THROUGH CERTAIN PRODUCTS MANAGED BY DSP INVESTMENT MANAGERS PVT. LTD., WHICH ARE NOT AVAILABLE FOR INVESTMENT IN ANY JURISDICTION EXCEPT FOR INDIA.

## COMMENTARY

In August 2021, MSCI India (USD) up ~10.9%, massively outperformed both MSCI India Small Cap, up ~2.3% and MSCI EM, up ~2.6%. Their CYTD21 performances are ~25.2%, ~39.7% and ~2.8% respectively. Polarization was the flavour of the month, so much so that nearly 80% of the Nifty 50 return came from just the top 10 stocks. On the whole, with ~32% CYTD21 growth in market cap to US\$ 3.3tn (best amongst markets >US\$ 1trn), the Indian market is now the 7th largest globally.

**Covid update:** New daily cases are still around the ~40k mark, similar to the last two months. Just one state (Kerala) contributes >60% of daily new cases. The total active cases at ~360k are just ~0.027% of India's 1.3bn population. Restrictions have been relaxed in most parts of the country, and business and mobility are now above pre-Covid levels. The second wave in 2021 saw only a 40% dip in activity, which has bounced back in <2 months.

**Vaccination rate improving, but needs more speed ahead:** On 27th August, for the first time, India administered >10m vaccine doses in a single day. This was followed by ~12.8m doses yesterday. Both are encouraging milestones, and the country needs to quickly build on this base. There are concerns of a potential third Covid wave in Sep/Oct - coinciding with the festive season - as different studies have suggested. At the current rate of ~7.4m (7DMA) doses a day, India could vaccinate ~90% of the adult population with at least one dose by mid-October. Currently, ~52% of adults have at least one dose (~15.6% both doses and ~36.6% with the first dose) and a total of ~640m doses have been administered.

**Asset monetization, a step in the right direction:** The govt. announced a ~US\$ 81bn National Monetization pipeline (NMP) to a) secure part funding for the previously announced ~US\$ 1.5tn National Infrastructure Pipeline (NIP) and b) improve asset performance. The plan entails unlocking value in brownfield projects via the private sector (transfer of rights by govt. but not ownership) over 4 years, with ~15% monetization expected in FY22 itself. Apart from the multiplier effect on GDP growth, this is positive for the new infra build-out in India, releasing capital otherwise locked away and reducing fiscal pressure. Roads, railways, and power assets are expected to bring ~2/3rds of the funds. Execution is critical for this scheme's success, with a focus on efficient dispute resolution mechanisms.

**Another taper tantrum?** The predicament of Emerging Markets during the taper tantrum of 2013 is quite fresh in investors' minds. Post the announcement by the US Fed back then, the Nifty corrected ~15% in 3 months, and EM currencies depreciated too, with the INR declining by over 20% in the same period. A taper might be around the corner again. While market moves are unpredictable, we believe India is on a far stronger footing now. A robust rise in India's forex reserves to ~US\$ 616bn (19.4 months of coverage of current account deficit now versus only 3.3 months in 2013), a much-less alarming CPI inflation rate (5.6% now versus 9.4% in 2013), a stronger GDP growth outlook (~5.5% in FY13 versus ~10%/7% in FY22/23, in real terms), and a more vigilant RBI currency policy are key differences.

**Valuations, earnings, flows:** The Nifty Index trades at ~20.0x FY22e and ~17.7x FY23e PE multiple on consensus earnings, and assumes a ~38% and ~13% EPS growth for FY22/21 and FY23/22 respectively. Here's what is baked in: The nominal aggregate top-line for FY23 is up over 40% on FY20 levels, with a 15% implied 2Y revenue CAGR ask-rate, combined with a 300 bps expansion in EBITDA margins. Aggregate EPS estimates for FY22-23 are steady over the last few months, despite COVID-2, with continued expectations for a strong earnings catch-up. Materials has seen the highest upgrades, while consumer discretionary and industrials have seen cuts. On flows, YTD CY21 has seen FII's infuse ~US\$ 7bn into Indian equities. However, the bulk of this has been before mid-Mar'21, after which, net foreign flow into equities has been only ~US\$ 1bn, including the flurry of IPOs in recent months. Meanwhile, domestic mutual funds continue to raise capital, seeing inflows for the fifth consecutive month. One of the large players raised nearly US\$ 2bn this month, in a new fund of which at least 65% will be invested in equities, demonstrating availability of liquidity. The contribution of monthly systematic investment plans hit a record ~US\$ 1.3bn in Jul'21.

## AVAILABLE SHARE CLASSES

Shares				Minimum Holding			
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.

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### REGULATORY PERFORMANCE DEPICTION

Performance In Prescribed Regulatory Format	31/08/2020 to 31/08/2021	30/08/2019 to 31/08/2020	31/08/2018 to 30/08/2019	31/08/2017 to 31/08/2018	31/08/2016 to 31/08/2017
MSCI India Index	53.15%	3.00%	-7.64%	7.12%	17.46%
MSCI India Small Cap Index	75.19%	6.64%	-23.24%	-1.15%	31.61%
DSP Strategy	50.37%	13.39%	-10.64%	-1.31%	22.89%

### 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 August 31, 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.

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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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