

## 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 30 Sep 2021 | 1-Year<br>30-Sep-20 | 3-Years<br>28-Sep-18 | 5-Years<br>30-Sep-16 | 8-Years<br>30-Sep-13 | 10-Years<br>30-Sep-11 | Since Inception<br>14-Nov-06 |
|--|---------------------|----------------------|----------------------|----------------------|-----------------------|------------------------------|
| DSP Strategy                           | 49.03%              | 21.49%               | 13.49%               | 21.61%               | 13.94%                | 12.07%                       |
| Average India UCITS fund               | 52.05%              | 16.14%               | 10.99%               | 13.76%               | 9.80%                 | 7.60%                        |
| MSCI India USD                         | 53.12%              | 17.21%               | 13.22%               | 12.45%               | 9.18%                 | 7.12%                        |
| 20:80 Composite Index                  | 73.82%              | 21.01%               | 13.97%               | 18.17%               | 10.98%                | 7.85%                        |

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): \$17.2bn as of 30 Sep 2021

Total Sub Fund Assets: ~\$7.2 mn as of 30 Sep 2021

DSP Strategy AUM: ~US\$ 1,914 mn as of 30 Sep 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

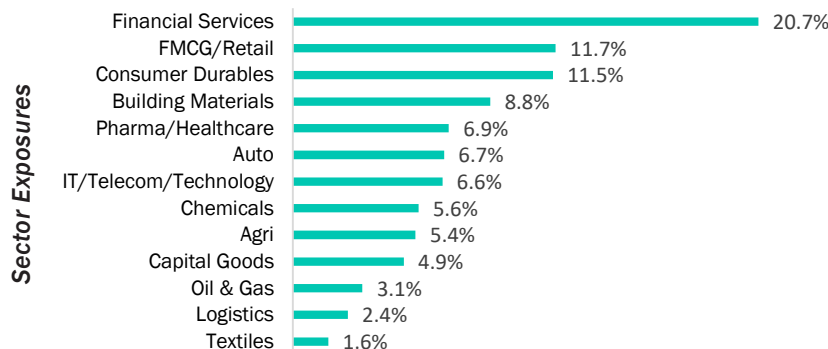
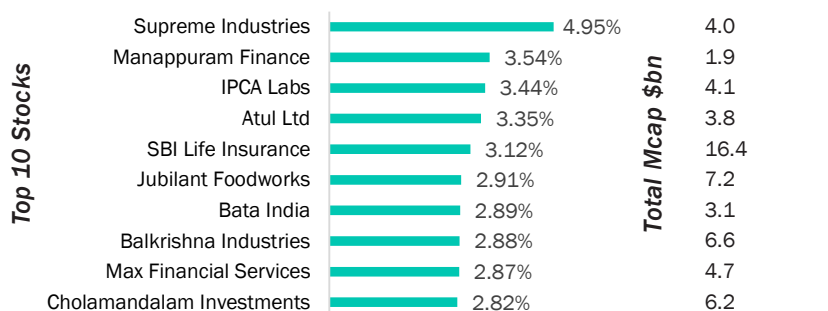
Legal Advisor to the ICAV as to Irish law: Zeidler Legal Services

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         | 22.3% | 26.2% | 29.8% |
| P/BV               | 8.7   | 7.3   | 6.2   |
| ROE                | 18%   | 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 – 65.6%, Mid Cap – 24.8%, Large Cap – 5.8%, Cash – 3.8% |

\*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 30 SEP 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 touching record highs in Sep'21, MSCI India (USD) returned ~0.9%, compared to MSCI India Small Cap, up ~4.5% and MSCI EM, down ~4.3% for the month. Their CYTD21 performances are +26.0%, +46.6% and -1.3% respectively, so India is one of the best performers in the EM pack this year. FPIs invested net ~USD 1.5bn in Indian equities taking their YTD number to ~USD 8.8bn. The Nifty 50 index trades at 24.4x on FY22E and 20.8x on FY23E consensus estimates. These estimates imply an EPS growth of ~35% for FY22/FY21 and ~17% for FY23/22 respectively. We await the upcoming earnings season where management commentary on supply chain disruptions, input prices and incremental demand post opening up of the economy will be important to scrutinize.

**Energy price increase impact:** We have been receiving a lot of investor queries on the energy price increases in UK/China and whether India might see a similar impact. Our view is that India is not completely insulated from the world, and is certainly seeing some pricing pressures. However the extent is much lower for now, and we expect it to remain so. For instance, spot prices of gas have shot up to ~4x of their normal levels. However, gas is only ~6% of India's energy mix, compared to ~35% for UK and ~24% for EU. Further, renewables are <10% of India's energy mix so the issues of unavailability of wind or hydro for power is limited. On coal (~55% of the mix), India has not clamped down on coal investments, and coal production has continued to increase over the last few years. Also, India imports only ~15-20% of its coal requirements, while the rest is locally sourced - hence impact of global prices could be limited and/or lagged. We are cognizant of an ESG angle to all this too, as impacted nations move to fossil fuels temporarily in the absence of renewable alternatives.

**Could this price increase lead to higher interest rates in India?** This seems unlikely, because the RBI tracks the CPI for inflation, and the combined weight of petrol & diesel in the index is only 2.3%, while that of coal is 0.04%.

**Supply chain disruptions** are plaguing industries world over, and India is not an exception (even though the markets seem to be looking through the risks). While volumes may be impacted, margins too could take a hit on higher raw material prices owing to both a) supply chain pressures, and b) the reflation "opening-up" trade. While some of the companies / sectors could struggle due to lack of pricing power, others may pass on the price increase without a material hit to margins.

**Covid and vaccinations:** 5DMA new daily cases are at ~24k, half of what they were in August-end. Current active case load of ~277k cases is at a 6 month low and is just 0.02% of India's 1.3bn population. Part of the absence of a third wave for now may be attributed to a) the accelerating vaccination rate and b) some natural immunity post the deadly second wave. September so far has seen the highest ever vaccination rate at ~8mn doses/day against ~6.1mn/day in August. ~48.8% of the population has received at least one dose while ~18% is fully vaccinated. At the current pace, assuming herd immunity at ~80% coverage, vaccination to this level can be done by year end.

5DMA – 5 Day Moving Average; CYTD is Calendar Year To Date. FPI is Foreign Portfolio Investor. FY is Financial Year, FY21 is 12 months to 31<sup>st</sup> March 2021, ESG is Environment, Social, Governance, RBI is Reserve Bank of India, CPI is Consumer Price Index.

## AVAILABLE SHARE CLASSES

| Shares                  |     |                     |               | Minimum Holding     |                 |                              |                |
|-------------------------|-----|---------------------|---------------|---------------------|-----------------|------------------------------|----------------|
| Class                   | CCY | Distribution Policy | Launch Date   | Initial Offer Price | Minimum Holding | Minimum Initial Subscription | Redemption Fee |
| <b>Seed Class*</b>      | 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           |
| <b>Class A Unhedged</b> | EUR | Accumulation        | -             | 10 EUR              | 1000 EUR        | 1000 EUR                     | None           |
| <b>Class B Unhedged</b> | USD | Accumulation        | -             | 10 USD              | 1,00,000 USD    | 1,00,000 USD                 | None           |
| <b>Class B Unhedged</b> | EUR | Accumulation        | -             | 10 EUR              | 1,00,000 EUR    | 1,00,000 EUR                 | None           |
| <b>Founder Class**</b>  | 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 | 30/09/2020 to 30/09/2021 | 30/09/2019 to 30/09/2020 | 28/09/2018 to 30/09/2019 | 29/09/2017 to 28/09/2018 | 30/09/2016 to 29/09/2017 |
|---|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| MSCI India Index                            | 53.12%                   | 0.54%                    | 4.73%                    | 1.09%                    | 14.18%                   |
| MSCI India Small Cap Index                  | 78.99%                   | 5.19%                    | -3.48%                   | -16.47%                  | 27.77%                   |
| DSP Strategy                                | 49.46%                   | 8.98%                    | 10.28%                   | -13.36%                  | 21.02%                   |

### 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 September 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'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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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

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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**

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