DSP India Equity Fund

DSP ASSET MANAGERS

This is a marketing communication. Please refer to the prospectus of the UCITS and to the KIID before making any final decisions. This document is intended only for professional clients and / or qualified investors.

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

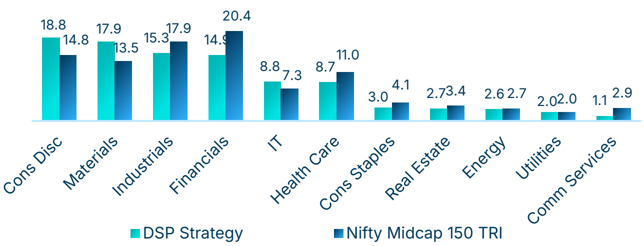
Past performance is not a reliable indicator of future results

USD CAGR Performance as on November 30, 2024	1M	3M	6M	YTD	1 Yr	3 Yr	5 Yr	8 Yr	10 Yr	Since Inception
DSP Strategy – Gross*	0.40%	-4.11%	10.33%	19.77%	27.20%	14.55%	19.08%	15.83%	14.47%	14.41%
DSP Strategy – Net*	0.27%	-3.39%	8.16%	15.54%	21.56%	10.91%	16.96%	13.55%	12.12%	12.04%
Nifty Midcap 150 TR	-0.34%	-5.28%	7.26%	21.16%	29.89%	19.13%	23.88%	17.78%	15.24%	12.14%

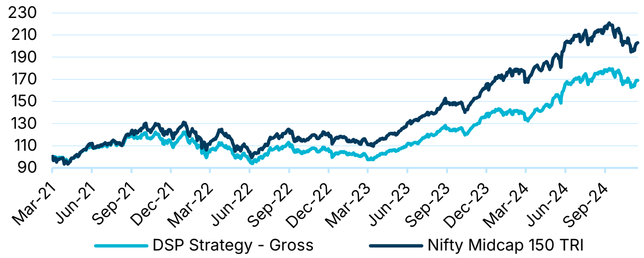
*Strategy performance up to 3 years is for the UCITs Fund & more than 3 years is for the mirror domestic strategy. Gross performance of the Fund represents performance before considering any expenses of the Fund including tax on the investments of the Fund and investment management fees. The Net performance is after considering all expenses including tax and investment management fees. For regulatory disclosure of the Fund performance, please refer page 4.

Portfolio Characteristics

GICS SECTOR EXPOSURES



PERFORMANCE COMPARISON



Past performance is not a reliable indicator of future results

Top 10 Stocks

Company	Weight (%)	Mcap (USD bn)
Coforge	4.92%	6.9
IPCA Laboratories	3.42%	4.6
Bharat Forge	3.08%	7.3
Coromandel International	3.03%	6.2
Power Finance Corporation	2.98%	19.3
Supreme Industries	2.87%	7.0
The Federal Bank	2.84%	6.1
The Phoenix Mills	2.72%	7.0
AU Small Finance Bank	2.68%	5.1
Max Financial Services	2.57%	4.6

Fund Construct	Details
Number of Stocks	57
Cap-wise split (for DSP Strategy)*	Mid Cap – 70.08%, Small Cap – 17.58%, Large Cap – 8.24%, Cash – 4.10%

Portfolio Metrics**	FY24	FY25E	FY26E
EPS Growth (%)	25%	30%	22%
P/E (x)	48.0	37.7	30.7
P/BV	11.5	8.2	9.0
ROE	18%	19%	24%

Fund Characteristics

Fund Structure	UCITS ICAV (Sub Fund of DSP Global Funds ICAV)
Investment Manager	DSP Asset Managers Private Limited
Fund Manager	Vinit Sambre
Investment Area	India Equities
Total Firm Assets	~$26.2 bn
Total Sub Fund Assets	~$28 mn
Strategy AUM	~US$ 2,301.8 mn
SFDR	Category 8

Share Class Details

Bloomberg Ticker	DSPIESU ID EQUITY
Total Expense Ratio	0.70%
Management Fee***	0.45%
Launch Date	15 March 2021
Base Currency	USD
Currency Classes	USD and EUR
Domicile	Ireland
Dealing Day (DD)	Daily
Notice (Subscription Redemption)	10:00 am (Irish time) on the relevant DD
Share Class	Seed Class
ISIN	IE00BK0WZ337

Legal Info

Management Company	Waystone Management Company (IE) Limited
Auditors and Tax Advisors	Grant Thornton
Legal Advisor to the ICAV as to Irish law	Zeidler Legal Services
Global Distributor	DSP International UK****
Administrator	HSBC Securities Services (Ireland) DAC
Website, Prospectus and KIID	dspindia.com/ucits

*The above market capitalization of stocks is based on SEBI classification. **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. 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.

*** The Management Fee outlined in this document includes the investment management fee payable to the Investment Manager and the global distribution fees payable to the Global Distributor but doesn't include 0.025% fee payable to Waystone as Management Company . ****DSP International UK Ltd (FRN: 1004912) is an Appointed Representative of Thornbridge Investment Management LLP. Thornbridge Investment Management LLP is authorised and regulated by the Financial Conduct Authority (FRN: 713859)

^THE DSP STRATEGY HAS BEEN IMPLEMENTED SINCE NOVEMBER 14, 2006, AUM ~US$ 2.3 BN, AS ON NOVEMBER 30, 2024 THROUGH CERTAIN PRODUCTS MANAGED BY DSP ASSET MANAGERS PVT. LTD., WHICH ARE NOT AVAILABLE FOR INVESTMENT IN ANY JURISDICTION EXCEPT FOR INDIA.

Fund Manager Commentary

Attribution summary for the month of November 2024:

Top 3 Contributors	
Sectors	**Active weight**
Information Technology	1.09
Materials	3.49
Utilities	-0.08
Stocks	**Active weight**
Coforge Limited	2.87
Tube Investments of India	-1.21
Power Finance Corporation	2.77

Top 3 Detractors	
Sectors	**Active weight**
Financials	-5.59
Communication Services	-2.86
Consumer Discretionary	3.30
Stocks	**Active weight**
Indian Hotels Co. Ltd.	-1.95
Max Financial Service	1.86
PB Fintech	-1.66

- Among all stocks, Coforge saw the most significant increase in weight, whereas Mphasis experienced the most substantial decrease.

Sector Spotlight

- Coforge delivered broad-based organic growth across BFS, Insurance, and Travel, achieving 6.3% QoQ organic revenue growth in USD terms for 2QFY25. The company secured an organic order intake of $448 Mn, including three large deals, driving its 12-month executable order book to $1.1 Bn (+18% YoY). Organic adjusted PAT rose to $21.4 Mn (+39.5% QoQ), supported by lower SG&A costs and higher other income. Management is confident of extracting further synergies and aims to expand margins beyond 18% by 4QFY25. They also mentioned that the Cigniti acquisition is now fully operationally integrated.

- IPCA Laboratories' revenue was better than expected (sales grew 15.8% YoY), driven by domestic formulations (DF) and exports. However, margins were lower than estimated due to higher operating costs. Unichem's EBITDA margin continues to improve to 12.4% in 2QFY25 from 2.0% in 2QFY24. Management guided revenue growth of 9-10% (versus earlier guidance of 10–11%) with EBITDA margins of 22% in FY25.

- Bharat Forge consolidated revenue contracted 2.3% YoY and standalone by 0.1% YoY for the first time in the past 15 quarters. This was led by a dip in exports CV revenue of 5% YoY and 18% YoY in exports PV revenue, owing to weakness in the EU while domestic CV revenue declined 16% YoY owing to a 13% YoY dip in CV production. Management highlighted that the EU demand is currently being affected by seasonal demand and specific customer-related issues while the US demand remains stable with expectations of demand further growing post elections.

- Coromandel International reported subdued operating performance in 2QFY25 (EBIT down 10% YoY) due to a lower NBS rate and high raw material prices, partly offset by healthy performance from the crop protection business (EBIT up 24% YoY). With improved reservoir levels and forecasts of above-normal northeast monsoons, the company is expecting healthy growth in fertilizer volumes in the upcoming quarters. This, coupled with the bottoming out of agrochemical prices, should lead to better performance in 2HFY25.

- Power Finance Corporation Q2 earnings were healthy (PAT up 18% QoQ), led by dividend income and write-backs. Although the 10% loan growth was lower than expected due to seasonality and system adjustments, disbursements have picked up, and the sanctions pipeline is strong across power and non-power segments. Management projected FY25 loan asset growth at 14%, which aligns with FY24 levels. NIM target remains at 3-3.5%, with H1 typically surpassing the 3.5% mark, depending on growth.

Available Share Classes

Share 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	1,000,000 USD	1,000,000 USD	None
Class A Unhedged	USD	Accumulation	18 August 2021	10 USD	1,000 USD	1,000 USD	None

*The Seed Class 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.

India's equity market has seen a much-needed correction after a long period of upward momentum. The MSCI India Index has pulled back by ~10% from its peak, while Mid and Small-cap indices have corrected by around ~8.5% and ~6%, respectively. This market dip has opened stock-specific opportunities, as about ~40% of the top 200 stocks are down over ~20%. In YTD24, MSCI India Index US$ returned ~15.0% vs. MSCI EM ~9.4% and MSCI DM ~15.1%.

The recent correction is driven by two main factors:

1. Foreign Institutional Investor (FII) Outflows: India has experienced a significant outflow of ~$11 billion from foreign investors over the past month (+$0.6bn YTD). This marks the fastest pace of FII selling in India's history and ranks as the third-largest episode of FII selling in terms of absolute flow.
2. Weaker-Than-Expected Earnings: Earnings growth last quarter came in below expectations, with an average earnings surprise of ~-5%. Misses (~46% of companies) have outpaced beats (~35%), with notable disappointments across most domestic cyclical sectors. Companies with earnings misses have faced heavier penalties, with an average 1-day price correction of ~4%, compared to a ~3% price increase for companies that beat estimates. This is the largest correction for earnings misses in the last 7 quarters.

Among the 94 MSCI India companies that have reported so far (covering 73% of the MSCI index by market cap), earnings for Q2 FY25/3Q CY24 are tracking flat YoY, primarily due to weakness in the commodities sector. Excluding commodities, earnings are up by ~12% YoY. Overall, MSCI India earnings are expected to grow by about ~14% in FY24 and ~12% in FY25, after adjusting a ~3% earnings downgrade in FY25.

It is estimated that the top 200 domestic equity funds, with a combined AUM of ~$244 billion, held around ~$11 billion in cash. Domestic equity funds purchased approximately ~$10 billion in equities during October, suggesting a reduction in cash levels and potentially less capacity to support a sell-off by foreign institutional investors (FIIs) in the near term.

Domestic inflows have remained resilient, with ~$4 billion flowing into equity funds in September (~USD 53bn YTD), marking the fifth consecutive month of inflows exceeding ~$4 billion. However, we believe the market has not yet fully priced in the potential extent of the slowdown, both from a macroeconomic and market perspective. While factors such as the extended monsoon season and slowdown of activities during elections may have contributed to the earnings misses, more fundamental issues are at play. Key drivers like topline growth are lacking, and margin expansion from last year remains elusive, a theme that emerged during earnings calls.

In this environment, high-quality companies with strong earnings visibility are likely to outperform those driven by narrative-based rallies. This could be a period of market consolidation, presenting an opportunity for selective allocation to Indian equities, especially since global allocations to India remain relatively low.

Insights from DSP's Annual Report analysis, Nectar - How Indian companies are expanding their business avenues and boosting revenue streams:

- A leading vehicle financer (NBFC) is diversifying beyond vehicle finance as its non-vehicle business outpaces growth. Vehicle finance's share of AUM has decreased from ~75% to ~58%, and disbursements have fallen from ~82% to ~55%.
  In contrast, the new business segment has surged from zero to around ~12% of AUM and from ~2% to ~23% of disbursements in just five years.
- A leading fertilizer company is harnessing its expertise in complex chemistries to produce novel molecules and launching a new Specialty Chemicals unit that transforms fertilizer by-products into innovative products. The company is also diving into agricultural and defence drones while investing in Agtech startups to develop autonomous robots for farming tasks. These initiatives are set to boost sustainability and efficiency in agriculture.
- One of the leading cable and wires manufacturers is strategically investing in long-term growth drivers to enhance sustainable operating leverage. Transitioning to a 'house of brands' allows the company to cater to diverse consumers and utilize premium advertising. Its omnichannel strategy expands modern retail and e-commerce, while the Rural Vistaar program boosts retail presence in smaller towns. The company focuses on nurturing talent and has formed a joint venture in the U.S. for air conditioners, exploring further international partnerships.
- One of the cement manufacturers plans to double its capacity over the next 5 to 7 years, targeting a market share increase from ~ 3% to ~10% by 2030. The company already boasts a strong presence in East, West, and South India and is strategically preparing to enter the North and Central Indian markets. To facilitate this expansion, it has acquired a limestone mine in Central India.

Please find the link for the full report: Annual Report Nectar 2024

Info Sources: Goldman Sachs Research, UBS, Morgan Stanley. MXASJ – MSCI Asia Ex-Japan, FII – Foreign Institutional Investor, DII – Domestic Institutional Investor, FY – Financial Year, CY – Calendar Year; YoY – Year over Year, YTD – Year to Date, EM – Emerging Markets, DM – Developed Markets.

Regulatory Performance Depiction

Performance In Prescribed Regulatory Format	30/Nov/2023 to 29/Nov/2024	30/Nov/2022 to 30/Nov/2023	30/Nov/2021 to 30/Nov/2022	27/Nov/2020 to 30/Nov/2021	29/Nov/2019 to 27/Nov/2020
MSCI India Index	23.86%	5.63%	1.01%	34.09%	6.46%
Nifty Midcap 150	29.89%	29.82%	0.26%	49.63%	15.46%
DSP Strategy	21.63%	19.32%	-8.51%	27.52%	18.55%

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 often carries with it 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

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