

# DSP

## ASSET MANAGERS

### Firm & Strategy Overview



| People | Processes | Performance |

May 2024

This is a marketing communication. Please refer to the Prospectus and KIID for more information on general terms, risks, and fees. Investors should only invest in the Fund once they have reviewed the Prospectus and KIID before making any final investment decisions.

# The DSP Group – Long History

## Successful time-tested legacy in the Indian financial markets

**160+**

**Years of existence (DSP Group)**

Among the oldest financial firms in India

### Founders of BSE

The family behind DSP Group included a founding member of the Bombay Stock Exchange

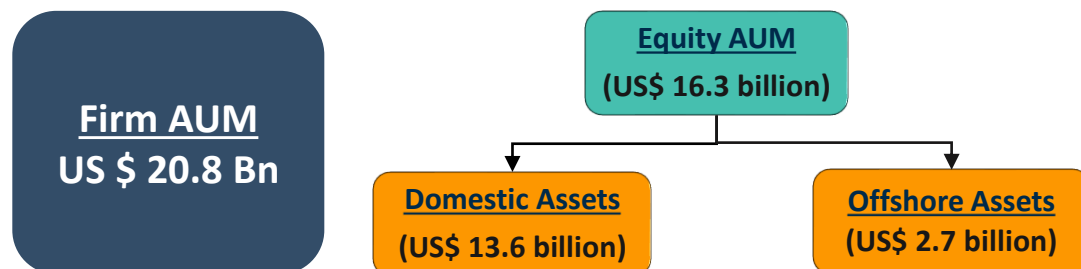
### Market Pioneers

Key figure in the professionalization of capital markets in India

**26 years**

In the Indian asset management industry

1. Core Business : Only Investment Management
2. Ownership that allows long term thinking : Family-owned and professionally-managed
3. Decades of good investment practices : from joint ventures with Merrill Lynch and BlackRock
4. Strong corporate access : DSP Group brought many of the top 300 companies in India to capital markets for the first time
5. Experienced Talent : 28-member Equity Investment team, having witnessed many market, economic & business cycles



Source: Internal, Data as on April 2024; USDINR rate assumed 83.4363

**DSP**

# Our Principles

---

1. Mindset: Long Term Alpha generation (~200-700) bps of alpha across strategies since inception
2. Investors First: Close funds when margin of safety is low / valuations are sky high
3. Investment Frameworks are sacred: Build transparency, clarity & alignment with Investors
4. Sustainability: Gradually building ESG frameworks in our portfolios; signatory to UNPRI
5. Minimize Risk approach: 10<sup>th</sup> Man concept via “Skeptical analyst” to minimize accidents due to accounting frauds/ bad governance
6. Owners Mindset: via Long Term employee stock ownership plan & hence long term investment decisions
7. Skin in the Game: The DSP Group family invests their wealth in DSP Funds. DSP employees too invest in DSP Funds.

Source: Internal. Alpha is defined as the excess return over benchmark. Bps = Basis points. ESOP = Employee Stock ownership plan

# Our Edge

#	Potential alpha sources	Taking advantage of	DSP's Primary Alpha Source?	Comments
1	Research	Non-consensus calls / early-movers	Yes	<ul style="list-style-type: none"> <li>- Focus on RoE and Earnings Growth</li> <li>- Emphasize sustainable investing</li> <li>- Historical examples such as IPCA Labs, Symphony, SRF, Coromandel etc.</li> </ul>
2	Behaviour	Inherent human biases	Yes	<ul style="list-style-type: none"> <li>- Conviction through diversified yet focused portfolio</li> <li>- Long-term investment horizon</li> <li>- Low turnover</li> </ul>
3	News flow	Information arbitrage	No	<ul style="list-style-type: none"> <li>- We do not prioritize trading / short-term views</li> </ul>
4	Technical	Liquidity squeezes, sudden fund flows etc.	No	<ul style="list-style-type: none"> <li>- We do not prioritize technical charts analysis and subsequent trading</li> </ul>

Source: Internal; The sector(s)/stock(s)/issuer(s) mentioned in this note do not constitute any recommendation of the same and the Fund may or may not have any future position in these sector(s)/stock(s)/issuer. ROE = Return on Equity. **Past performance is not a reliable indicator of future results**

# Equity Investment Team



**Vinit Sambre (24)**  
Senior Vice President  
Head - Equities



**Rohit Singhania (23)**  
Senior Vice President  
Co-Head – Equities

## Portfolio Managers / Analysts / Sector Responsibilities

## Investment Strategists

PMs



**Gaurav Pant (18)\***  
SVP, PM



**Abhishek Singh (15)**  
AVP, PM



**Bhavin Gandhi (16)**  
AVP, PM



**S. Natraj (23)**  
VP, PM



**Jay Kothari (19)**  
SVP, Lead Investment Strategist & Global Head – International Business

PMs / Analysts



**Charanjit Singh (15)**  
VP, Capital Goods, Infra, Power Utilities, Consumer Durables



**Resham Jain, CFA (17)**  
VP, Small & Mid Caps, Agri inputs, Textiles, Chemicals, Retail



**Chirag Dagli (20)**  
VP, Healthcare



**Souvik Saha (6)**  
Senior Manager, Investment Strategist



**Dhaval Gada (13)**  
VP, Banking and Financial Services



**Abhishek Ghosh (15)**  
AVP, Small & Mid Caps, Transportation



**Suryanarayanan Manian, CFA (14)**  
VP, Long Short, Pre-IPO



**Ashish Tekwani (3)**  
Assistant Manager, Investment Strategist

Analysts



**Aniket Pande (9)**  
AVP, IT and FMCG



**Tanuj Kyal (4)**  
Senior Manager, Long/ Short



**Nilesh Aiya (12)**  
AVP, Forensic Research



**Vaibhav Shah (5)**  
Senior Manager, Auto & Metals



**Prateek Mandhana (6)**  
Senior Manager, Long/short



**Venkat Samala (4)**  
Manager, Long/ Short



**Chaitra Nayak (7)**  
Senior Manager ESG Analyst



**Keval Ashar (2)**  
Analyst

Source: DSP, as on April 2024. Years in brackets ( ) is years of experience. \*Gaurav is the Portfolio Manager dedicated for the India long/short hedge fund.

# Equity Investment Team

## Dealing Team



**Suketu Mehta (22)**  
SVP, Investments  
Equity



**Chirag Darji (18)**  
VP, Investments  
Equity



**Shashank Shah (19)**  
AVP, Investments  
Equity

## Support Team



**Avan Sanga (22)**  
Senior Manager,  
Investments Equity



**Varsha Patel (1)**  
Officer,  
Investments Equity



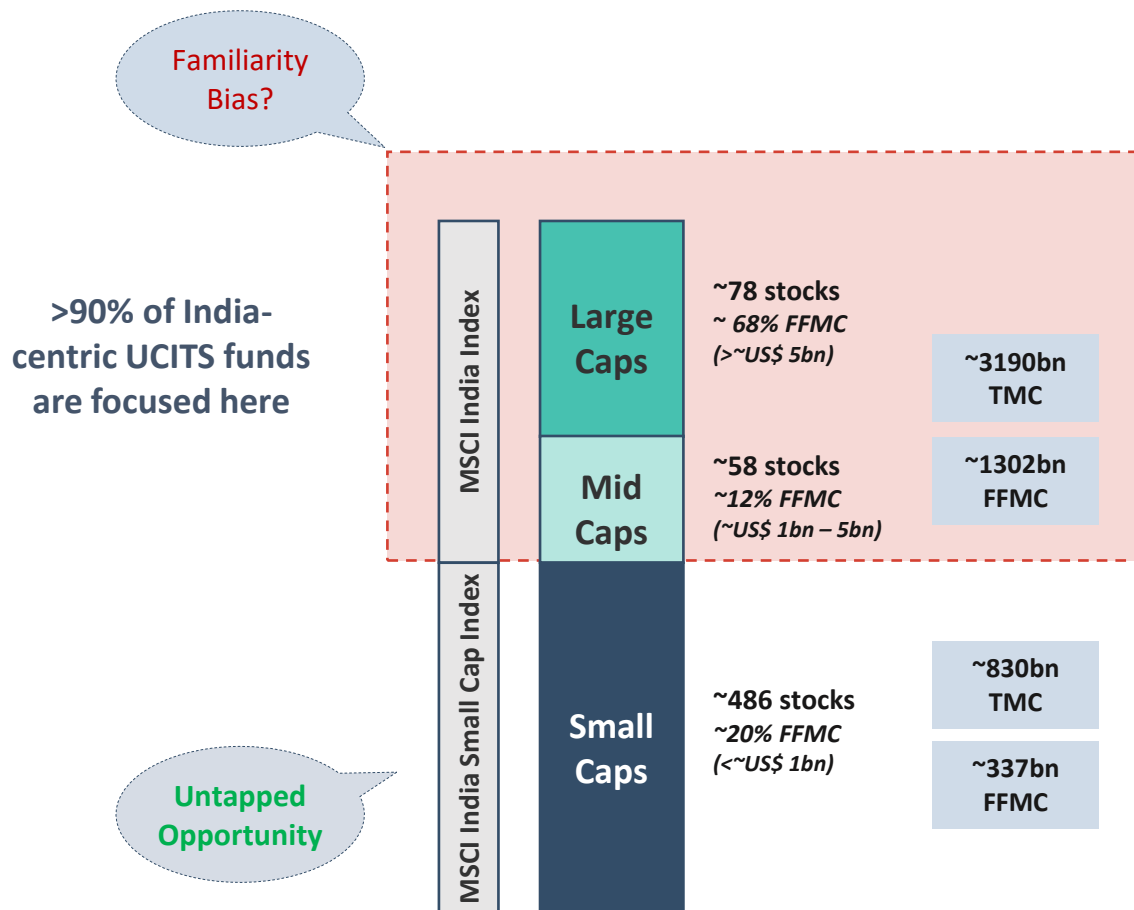
**Palak Doshi (9)**  
AM,  
Investments Equity

Source: DSP, as on April 2024. Years in brackets ( ) is years of experience.

# The Opportunity



# Where to invest in India? The Equity Investment Landscape

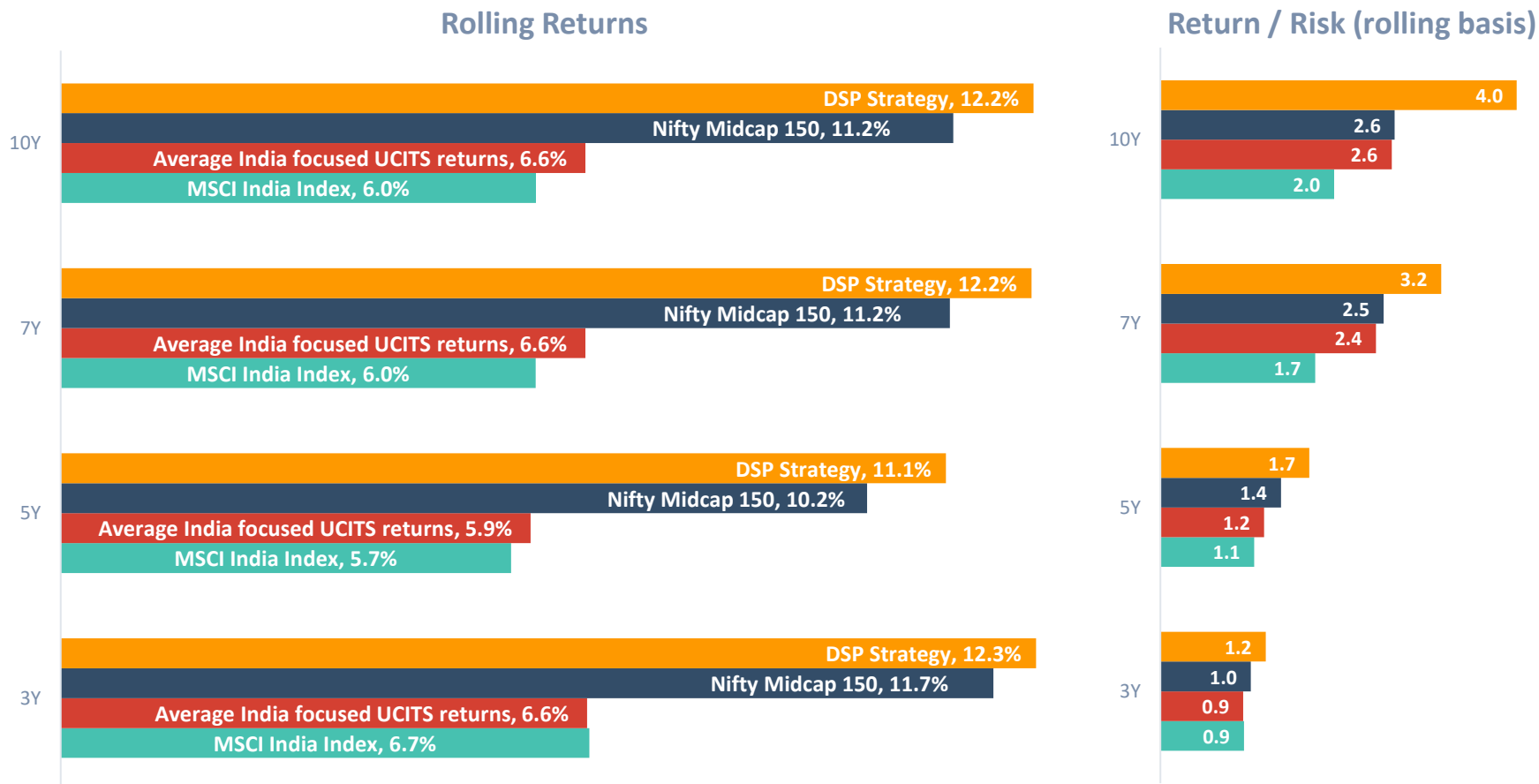


**There is a significant investable market beyond the large and mid caps**

Source: MSCI. Market cap data as on 3 May 2024. TMC = Total Market Cap, FFMC = Free Float Market-Cap. Indices are unmanaged and used for illustrative purposes only and are not intended to be indicative of any fund's performance. It is not possible to invest directly in an index. Past performance is not a reliable indicator of future results. All figures are in USD.



# How Mid caps performed? Active management generated superior return/risk



**Our actively managed small and midcap oriented strategy has generated superior return/risk**

Source: Bloomberg; Note: Returns data from Jun 2007 to Apr 2024. Indices are unmanaged and used for illustrative purposes only and are not intended to be indicative of any fund's performance. It is not possible to invest directly in an index. Past performance is not a reliable indicator of future results. All figures are in USD. The DSP Strategy has been implemented since 14 Jun 2007 through certain products managed by DSP Investment Managers Pvt. Ltd., which are not available for investment in any jurisdiction except for India.

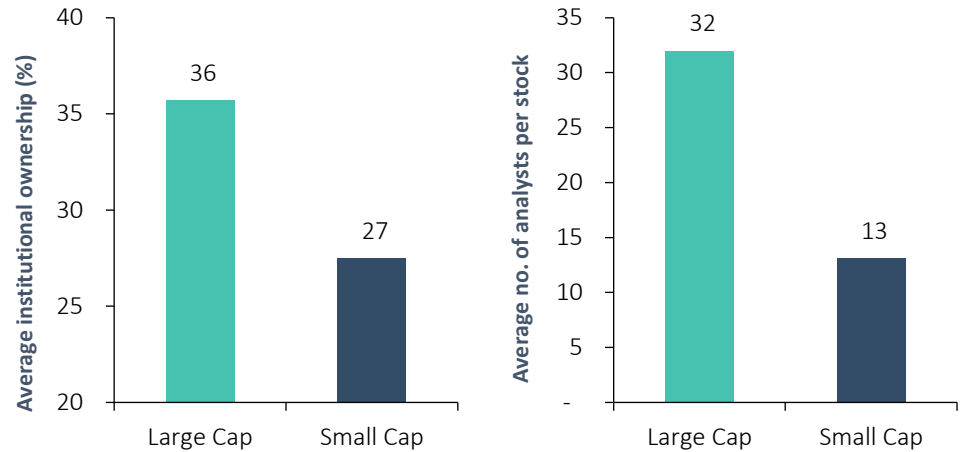
# Alpha elements? low ownership, sparse research and high diversification

## 1 Large & Mid Cap Alpha waning; Small Cap presents alpha opportunities

~4.4%  
alpha  
CAGR since inception

of the DSP Strategy over the MSCI India Index

## 2 Small-Cap stocks tend to be under-owned and under-researched



## 3 MSCI India Small Cap is more diversified, offering variety in stock picks

Diversification	MSCI India Index	MSCI India Small Cap Index
GICS Industry	41	51
No. of stocks	101	260
Top 10 concentration	46.7%	13.2%

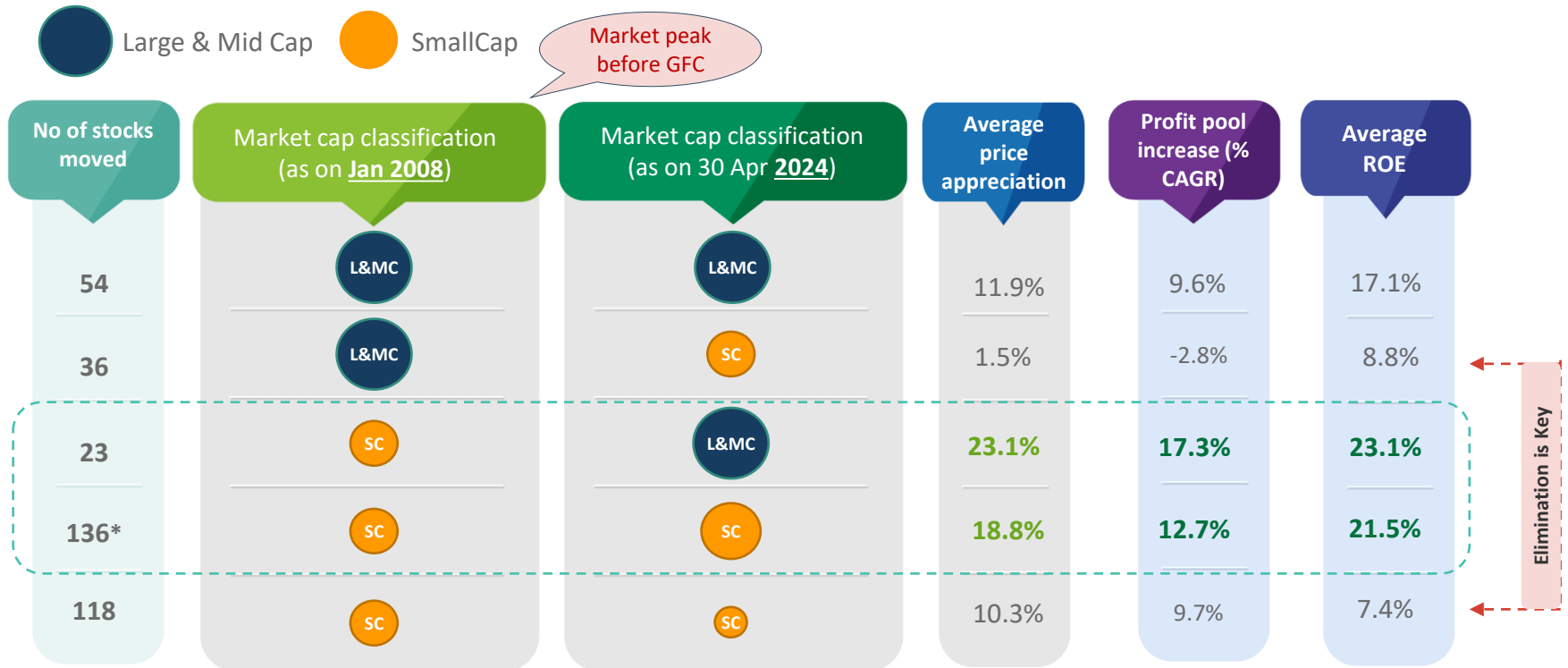
## 4 Lower correlation of MSCI India Small Cap vs MSCI India

Correlation Matrix	MSCI AC World Index	MSCI EM Index
MSCI India Index	50%	67%
MSCI India Small Cap Index	43%	59%
<b>DSP Strategy</b>	<b>34%</b>	<b>43%</b>

Source: Bloomberg, ACE Equity, Internal. Note: Large cap is represented by MSCI India Index and Small Cap is represented by MSCI Small Cap Index. For Panel 2 - Institutional holding is as per latest available qtlly data (Mar'21/Jun'21) and Analyst coverage is as of 11<sup>th</sup> July'21; For Panel 3 - holdings data is as of 11<sup>th</sup> July'21. Correlation data since inception of the fund. Indices are unmanaged and used for illustrative purposes only and are not intended to be indicative of any fund's performance. It is not possible to invest directly in an index. **Past performance is not a reliable indicator of future results.** The DSP Strategy has been implemented since 14 Nov 2006 through certain products managed by DSP Asset Managers Pvt. Ltd., which are not available for investment in any jurisdiction except for India. CAGR = Compounded annual growth rate. Alpha is defined as the excess return over benchmark.

# Which companies generate wealth? High ROE and Earnings growth companies

- We analysed data from Indian Large cap, Mid cap and Small cap companies over the past decade to understand their return potential
- Historically in the Indian markets, a combination of healthy ROE and high earnings growth has resulted in superior price performance

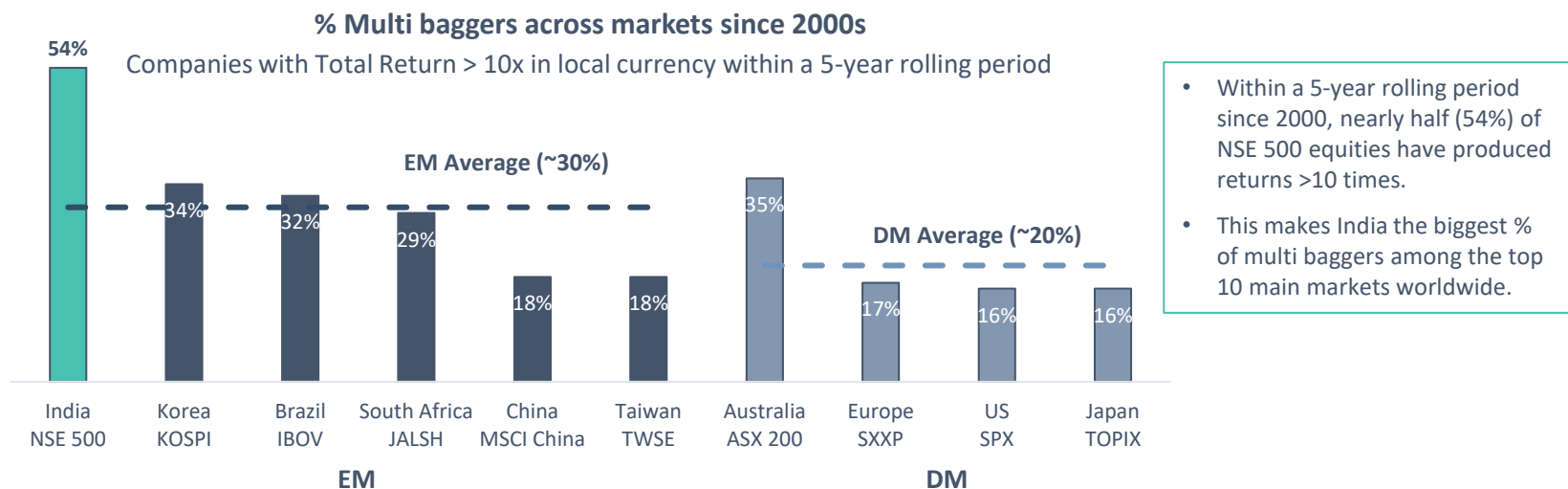


**There is a sizable pool of high-quality companies that have the potential to provide superior returns**

Source: Elara Capital, [MOSL Wealth Creation Studies in India]; \* companies with an average 10Y RoE > = 16%, used so as to categorize companies within Small Caps; Constituents of Nifty 500 Index as on 30 April 2024 are back tested from the peak of 2008. All returns in INR terms. To understand the table better, we take an example of the third row. We considered all the stocks in the Nifty 500 index, and classified them as Small Cap, Mid Cap and Large Cap based on MSCI definition – please see Appendix. Over the period Jan 2008 market peak to November 2021, we found that 23 companies grew from being Small Caps to Large & Mid Caps, with an average price appreciation of 23.1%, Profit pool increase of 17.3% and an average RoE of 23.1%.

# Fertile land: India has delivered the highest proportion of multi baggers

India has some of the largest proportion of multi baggers among 10 major markets globally



## Common traits of multi baggers

1. Growth	2. Capital allocation	3. Inexpensive starting valuations	4. High promoter holding	5. Small/mid-cap bias
The median sales CAGR for multi baggers was 25%, while the median profit CAGR was ~37%	Most multi baggers had ROE and Cash ROIC exceeding 15% during their outperformance, with around 3/4 <sup>th</sup> showing rising ROEs	About 70% of the companies have either traded at less than 1x LTM P/B ratio or below 10x NTM P/E ratio	Multi baggers typically saw majority promoter ownership (58%) & lesser institutional investment (23%) at the beginning of their growth trajectory.	About half of the multi baggers in India had an initial market cap of less than US\$50mn

Source: Goldman Sachs Global Investment Research

# Investment Philosophy



# Portfolio Manager: Vinit Sambre

Vinit Sambre heads the equity team at DSP and has been with the firm since 2005.



“Patience, embracing volatility and owning capital efficient businesses run by capable managers for long periods of time is my source of wealth creation”

## Experience

- 24 years of investment experience across 4 major market cycles
- In-depth knowledge of Indian equities, specifically in the small and mid-cap space
- Successfully delivered on a variety of mandates including concentrated thematic portfolios

## Style

- Buy & Hold
- Low Turnover
- Demonstrated capability to identify and back high quality managements / promoters through cycles

## Recognition

- Recipient of several awards during his tenure

Source: Internal

**DSP**

# Investment Idea Generation



Source: Internal

# Investment Philosophy – Focus is sustainable long term wealth creation

- Fundamental bottom-up analysis, preferring companies exhibiting:
  - a) Scalability of business
  - b) Identifiable and sustainable moats
  - c) Consistent high Return on Equity over the cost of capital
  - d) Incremental capital allocation in equivalent or better ROE businesses
  - e) Stakeholder awareness and responsible governance
- Long-term investment horizon, turnover ratio ~25% (weight management through cycles).
- Sell Discipline - Profitable positions where valuations rise to unjustifiable levels, or positions where investment thesis not unfolding as envisioned.



## What we are wary of

- Capital misallocation
- Poor Governance
- Long-term business disruption
- Adverse regulatory changes

## Our edge: Temperament, Research capability and eliminating behavioral biases

Source: Internal

**DSP**

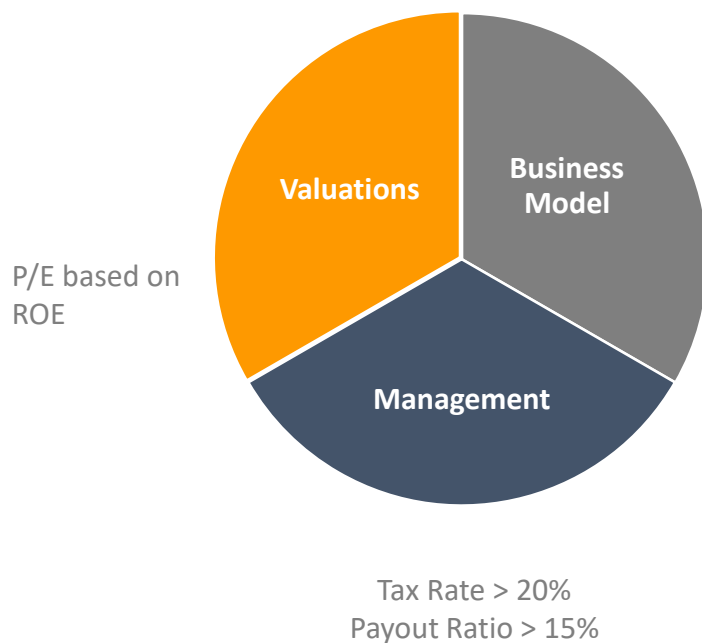


# Pillars of stock selection

Business	Management	Valuation
<p><b>Simple &amp; predictable</b> <b>Jubilant Foods</b> – Leading QSR player <b>Ramco Cement</b> – Most profitable south based cement player. <b>Supreme Industries</b> – Largest polymer processor</p> <p><b>Large &amp; high growth potential sectors</b> Financials, Consumer, Agriculture</p> <p><b>Competitive advantage</b> <b>Supreme Industries</b> – Diversified plastic manufacturer, scale advantage, large geographical distribution and higher value added products. <b>IPCA</b> - Lowest cost manufacturing <b>Ramco Cement</b> – Lowest cost and most efficient cement producer <b>Voltas</b> – Brand &amp; Distribution</p> <p><b>Positive Cash Flows &amp; High ROE</b> 5 Year avg ROE of some of our investee companies <b>Supreme Industries</b> (~24%, till FY21) <b>Jubilant Foods</b>(~20%, till FY21)</p> <p><b>Businesses at the cusp of a turnaround</b> Identified companies like Atul Ltd and SRF Ltd early in their cycle which showed: <b>Consistent profit growth</b> <b>Massive turnaround in ROE</b> <b>P/E re rating</b></p>	<p><b>Credible &amp; Capable managements</b> SRF which moved from being a small cap to a mega cap in the last 7 years. <b>Profit Growth – 33%</b> <b>Price Appreciation – 46%</b> <b>Average ROE – 16%</b></p> <p><b>Passion &amp; Ownership of promoters</b> Basic check for all portfolio companies</p> <p><b>Past track record</b> Basic check for all portfolio companies</p> <p><b>Prudent capital allocation</b> <b>Coromandel International</b> - Superior capital allocation strategy</p>	<p><b>Valuation to be looked at in conjunction with strength of business and quality of management</b></p> <ul style="list-style-type: none"><li>• Bought Symphony at 14 P/E in Dec 2012.</li><li>• Company showed earnings growth of over 35% from Q1 FY 14 to Q3 FY 15</li><li>• Held the stock as valuations rose from 14x to 90x</li><li>• Trimmed position in 2015 as valuations and growth were not in conjunction and fundamentals were marginally declining</li></ul>

Source: Internal, Jarvis; The sector(s)/stock(s)/issuer(s) mentioned herein does not constitute any research report/recommendation and our strategy may or may not have any future position in these sector(s)/stock(s)/issuer(s).

# Investment Framework



3 Yr. Avg. ROE >16%

5 Yr. Avg. EBITDA Growth > 13%

5 Yr. Avg. PAT Growth >13%

Margin Increase: EBITDA Growth > Sales Growth

Earnings per share (EPS) Growth variation <100%

Net Debt/EBITDA < 3x

Positive free cash flow yield

Receivables, Inventory & Payable days variation < 30 days

**~75% of our portfolio meets these criteria.**

The balance ~25% includes companies that we believe are on the cusp of turnarounds and may not satisfy one or more of these criteria today

## Quantifying metrics to evaluate the 3 pillars

Source: Internal. The DSP Strategy has been implemented since 14 Nov 2006 through certain products managed by DSP Asset Managers Pvt. Ltd., which are not available for investment in any jurisdiction except for India. The data mentioned in this presentation do not constitute any research report/recommendation of the same and the metrics being followed by the DSP Strategy may change in future, Internal, Nov 2021. EBITDA = Earnings before interest ,taxes, depreciation. ROE = Return on Equity

# Learnings through time

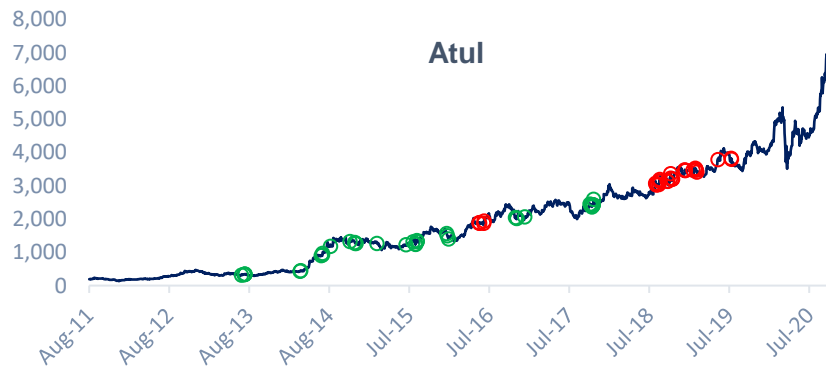
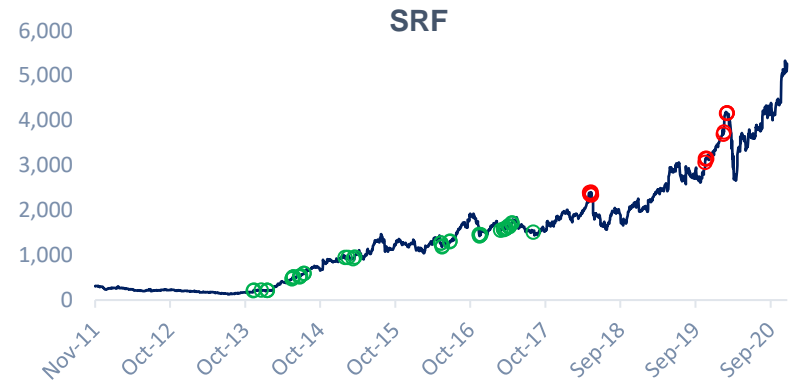
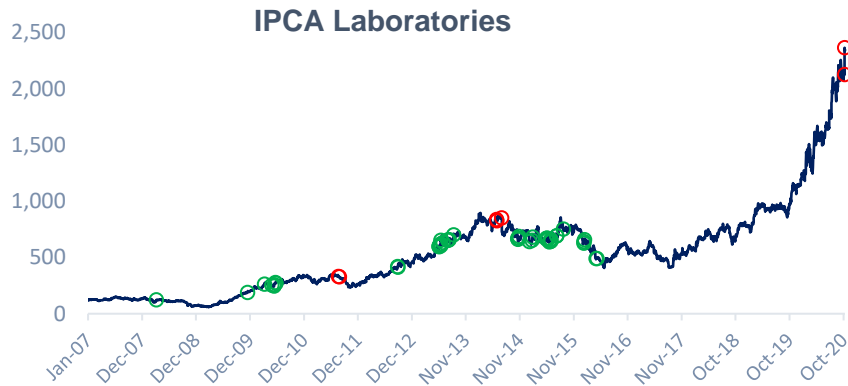
---

1. Deep analysis of historical business cycles (over 10-15 years), not merely management's future guidance- *Atul Ltd*
2. Bottom up company research is more useful than predicting macro. *Cholamandalam Finance*
3. Temperament – Ignoring noise and not reacting to every news
4. Contra-cyclical plays – use temporary disruption / downcycles to buy good companies. *Infosys / Eicher*
5. Significant dispersion within each sectors, active stock picking is important. Eliminating losers is the key. *Bajaj Finance / IB*
6. Don't forget learnings from past mistakes, general tendency is to forget them in a bull market. *Stopped fresh inflows into flagship small cap fund in the interest of investors*
7. We are working with long term mindset and seek investor with long term capital of over 5 yrs. *Buy & Hold philosophy*

Source: Internal. The sector(s)/stock(s)/issuer(s) mentioned herein does not constitute any research report/recommendation and our strategy may or may not have any future position in these sector(s)/stock(s)/issuer(s).

# Patience

- ▶ Simple scalable business
- ▶ Large opportunity
- ▶ Strong Cash flow, ROCE
- ▶ Avoiding noise and not processing each & every information



# Patience – Temporary disruption is an opportunity

- ▶ Use temporary disruption to double down
- ▶ Not easy when the stock goes through correction
- ▶ Deep understanding of business cycle, fundamentals and management attributes gives us the confidence
- ▶ Low impact cost during such period

## Supreme Industries



## Gujarat Gas



## Dhanuka Agritech



The above chart indicates the price point at which we transacted the stock. Green suggests purchase and red suggest sell.

Source: Internal, The sector(s)/stock(s)/issuer(s) mentioned in this presentation do not constitute any research report/recommendation of the same and the Representative Portfolio may or may not have any future position in these sector(s)/stock(s)/issuer(s). Source: Internal, Bloomberg

# Sizing

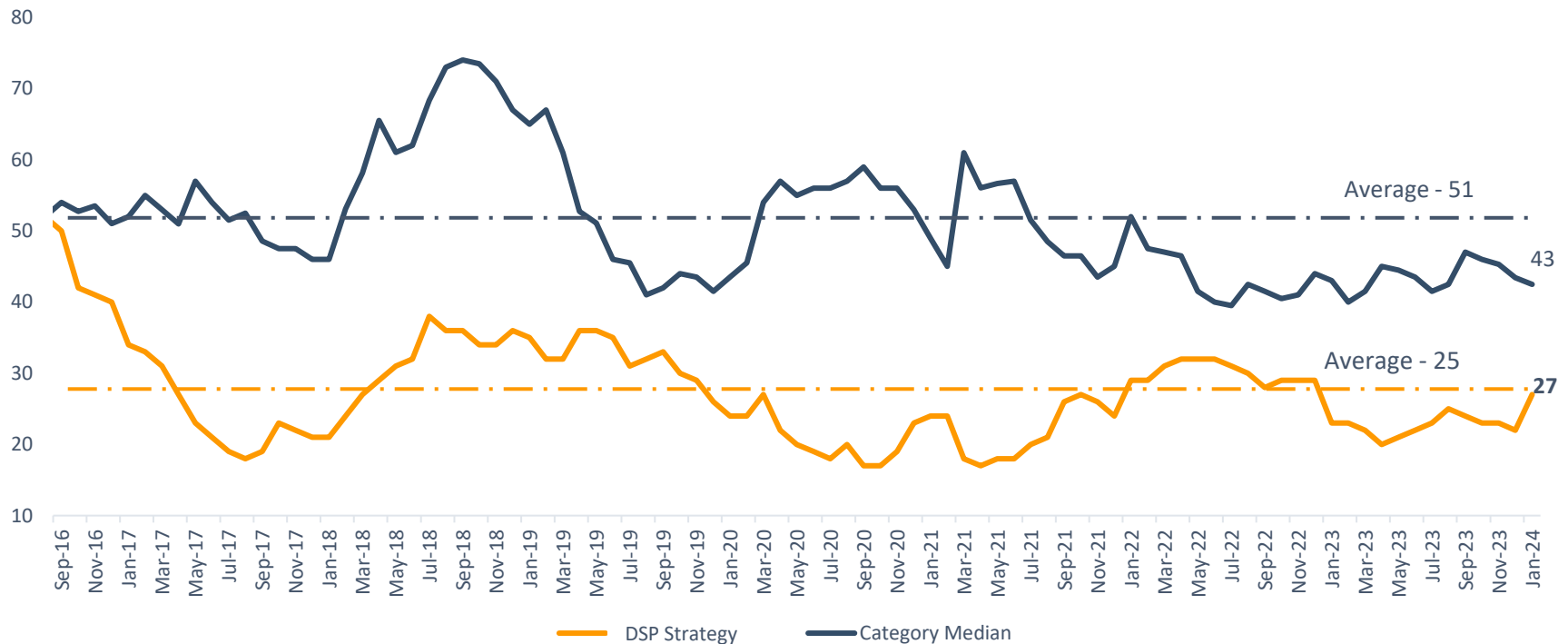
---

1. Driven by conviction, upside and sense of business cycle and valuation cycle
2. High conviction, low to medium business cycle, reasonable valuation, long term businesses – 5-7%
3. High conviction, low to medium business cycle, high valuation – 2-4%
4. High conviction, medium to high business cycle, high valuation – 1-2% and gradually build during temporary distress.

# Buy and hold approach – align with our guidance to investors

- In stock market, money is made by investing in capital efficient businesses for long term – patience

Portfolio Turnover ratio



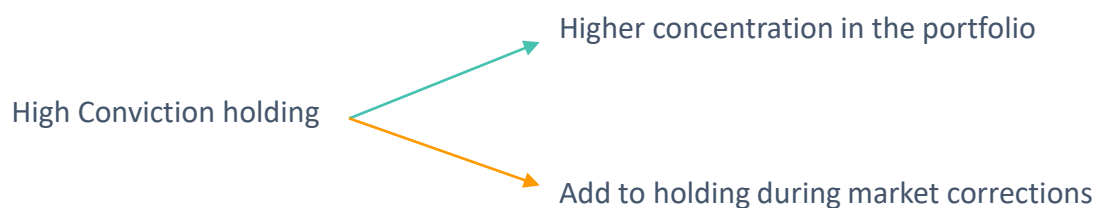
Fund follows BUY & HOLD Approach resulting in lower portfolio turnover ratio vs Peers

# Buy & Hold philosophy

- Align holding periods of investee companies with their entire business cycles
- Portfolio sizing depends upon our assessment of how the company ranks on our philosophy.

TOP 5 GAINERS- LAST ~5 YEARS *	RETURN MULTIPLIER	TOP 5 GAINERS*	RETURN MULTIPLIER	HOLDING PERIOD (YEARS)	PERIOD HELD
SRF Limited	7.21x	SRF Limited	117.64x	14.91 Years	Mar'07 to Jan'22
Atul Limited	4.30x	Eicher Motors Limited	41.58x	5.1 Years	Mar'09 to Mar'14
IPCA Laboratories	3.94x	Bajaj Finance Limited	16.89x	5.6 Years	Sep'08 to Mar'14
Coromandel International	2.71x	Bayer Cropscience	10.68x	11.5 Years	Sep'08 to Feb'20
Supreme Industries	2.37x	GRUH Finance Limited	8.40x	4.8 Years	Mar'08 to Dec'12

Representative Indian mid cap equities portfolio data. Source: FactSet. The sector(s)/stock(s)/issuer(s) mentioned in this document do not constitute any recommendation of the same. The representative portfolio may or may not have any future position in these sector(s)/stock(s)/issuer(s).



**Strong business + quality management = ignore noise, hold, add opportunistically**

Source: Internal, as of Aug 2023. The sector(s)/stock(s)/issuer(s) mentioned herein does not constitute any research report/recommendation and our strategy may or may not have any future position in these sector(s)/stock(s)/issuer(s).



# Sell Discipline

Profitable positions where valuations rise to unjustifiable levels

Trim / book profits

**Symphony** – In 2015, when the valuation scaled to unprecedented levels and concerns around growth arose due to early monsoons, we trimmed our position marginally to reflect the growth concerns

Positions where investment thesis not unfolding as envisioned

Cut losses / Sell

Significant deterioration in fundamentals  
Corporate governance issues  
Fraud or misrepresentation of facts

**Navkar Corp** – Adverse regulatory changes coincided with high-capacity addition which hurt the return ratios.

TOP 4 LOSERS *	PRICE DECLINE	HOLDING PERIOD (YEARS)	PERIOD HELD	AVG WGT DURING HOLDING PERIOD	Learnings
Pennar Engineered Building Systems	-79%	3.2	Sep'15 to Dec'18	0.7%	Capex heavy businesses require clear visibility of growth
Titagarh Wagons Ltd	-77%	2.3	Mar'11 to Jul'13	1.2%	Capex heavy businesses require clear visibility of growth
Navkar Corp Ltd	-72%	2.6	Mar'16 to Dec'18	0.7%	Be watchful about adverse regulatory changes and capital misallocation
Indo Count Industries	-66%	2.2	Oct'16 to Dec'18	0.8%	Fortified our core beliefs of not purely relying on management guidance

\* Representative Indian mid cap equities portfolio data

Source: FactSet. The sector(s)/stock(s)/issuer(s) mentioned in this document do not constitute any recommendation of the same. The representative portfolio may or may not have any future position in these sector(s)/stock(s)/issuer(s).

## Mistakes - a source of learning.

**DSP** Source: Internal. The sector(s)/stock(s)/issuer(s) mentioned herein does not constitute any research report/recommendation and our strategy may or may not have any future position in these sector(s)/stock(s)/issuer(s).

# Strategy Characteristics, Performance and Risks



# Differentiated from the typical Indian benchmark (MSCI India)

**Not** our portfolio!



Stocks	Total Market Cap in USD bn	Weight in MSCI India Index
Reliance Industries	237.8	8.20%
ICICI Bank	96.8	5.49%
Infosys	70.6	4.33%
HDFC	138.4	3.92%
TCS	165.6	3.17%
Bharti Airtel	94.2	2.73%
Axis Bank	43.1	2.44%
LARSEN & TOUBRO	59.2	2.22%
Mahindra & Mahindra	32.1	1.85%
Bajaj Finance	51.3	1.77%
<b>MSCI India Index (top 10)</b>	<b>10Y Avg ROE</b>	<b>10Y PAT CAGR</b>
	15.6*	13.5%*

**This is** our portfolio!



Stocks	Total Market Cap in USD bn	Weight in DSP Strategy Portfolio
Ipca Laboratories	4.1	4.33%
Phoenix Mills	6.7	4.28%
Supreme Industries	7.7	3.81%
Alkem Laboratories	6.9	3.70%
Bharat Forge	7.1	3.16%
The Federal Bank	4.7	2.89%
Uno Minda	5.1	2.55%
Coromandel International	4.3	2.52%
Atul Limited	2.1	2.45%
Power Finance Corporation	17.5	2.38%
<b>DSP Strategy (top 10)</b>	<b>10Y Avg ROE</b>	<b>10Y PAT CAGR</b>
	15.8	15.5%

Source: MSCI, Elara Research. Total Market-Cap, data as of 30 April 2024. Indices are unmanaged and used for illustrative purposes only and are not intended to be indicative of any fund's performance. It is not possible to invest directly in an index. Past performance is not a reliable indicator of future results. The DSP Strategy has been implemented since 14 Nov 2006 through certain products managed by DSP Investment Managers Pvt. Ltd., which are not available for investment in any jurisdiction except for India. \* Trailing ROE and EPS have been provided. Also, top 10 weights have been rebalanced to 100 for the purposes of the portfolio ROE and EPS calculations.

# DSP Strategy Characteristics

<b>Number of Stocks</b>	59
<b>Cap-wise split</b> (DSP Strategy)**	Mid Cap – 66.62%, Small Cap – 19.66%, Large Cap – 5.91%, Cash – 7.81%
<b>Portfolio Turnover</b> (last 12m) (DSP Strategy)	29%
<b>Strategy AUM</b>	~US\$ 2,065mn.
<b>Weighted Average Market Cap</b>	~USD 5.7bn.
<b>Active Share#</b>	~96% vs. MSCI India index, ~74% vs Benchmark

Metrics (US\$)	5 Years	Since Inception
<b>Return(CAGR)</b>		
Fund	14.12%	11.57%
Benchmark (Nifty Midcap 150)	21.23%	11.97%
MSCI India	11.92%	7.17%

## Volatility %

Fund	21.07%	28.64%
Benchmark (Nifty Midcap 150)	23.86%	31.54%
MSCI India	20.69%	26.46%

## Risk Free Rate (3m US Libor)

**2.41%**      **1.65%**

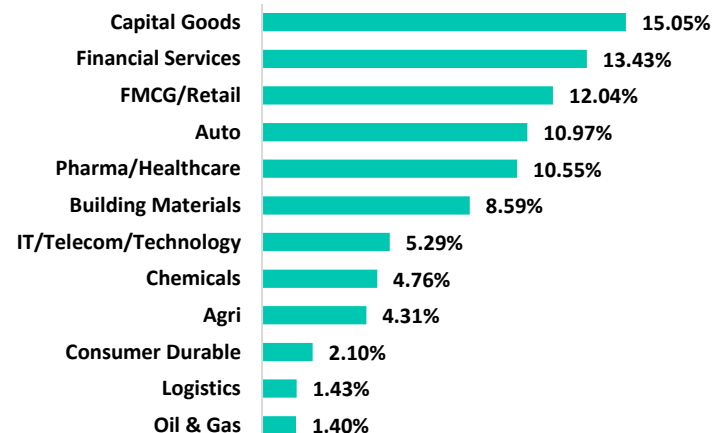
## Sharpe Ratio

Fund	0.56	0.35
Benchmark (Nifty Midcap 150)	0.79	0.33
MSCI India	0.46	0.21

Beta	0.84	0.88
Tracking Error	7.95%	8.45%

Portfolio Metrics*	FY24	FY25E	FY26E
EPS Growth (%)	27%	34%	23%
P/E (x)	42.0	34.2	28.2
P/BV	8.6	7.0	5.9
ROE	18%	19%	20%

## Sector Exposures



Source: Internal, all returns are net of fees, as of Apr 2024; Indices are unmanaged and used for illustrative purposes only and are not intended to be indicative of any fund's performance. It is not possible to invest directly in an index. **Past performance does not predict future returns.** The DSP Strategy has been implemented since 14 Nov 2006 through certain products managed by DSP Asset Managers Pvt. Ltd., which are not available for investment in any jurisdiction except for India. Market-cap split based on MSCI classifications. \*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. AUM = Asset Under Management. \*\*The above market capitalization of stocks is based on SEBI classification. Cap-wise split data as of 31 Mar 2024. # Data as of 31 Mar 2024.

# DSP Midcap Strategy – Liquidity Analysis

% to Total Mkt Cap	Cur.AuM \$1.77bn	Est.AuM \$2bn	Est.AuM \$2.5bn	Est.AuM \$3bn	Est.AuM \$3.5bn
<=1%	34%	32%	25%	17%	16%
1-3	60%	62%	47%	53%	49%
3-5	2%	2%	21%	24%	30%
5-7			2%	2%	
7-10					2%
<b>Total</b>	<b>96%</b>	<b>96%</b>	<b>96%</b>	<b>96%</b>	<b>96%</b>

% to FF Mcap	Cur.AuM \$1.77bn	Est.AuM \$2bn	Est.AuM \$2.5bn	Est.AuM \$3bn	Est.AuM \$3.5bn
<=10%	94%	91%	89%	84%	84%
10-20	2%	5%	7%	11%	10%
>20			1%	1%	2%
<b>Total</b>	<b>96%</b>	<b>96%</b>	<b>96%</b>	<b>96%</b>	<b>96%</b>

Days to Cash	Cur.AuM \$1.77bn	Est.AuM \$2bn	Est.AuM \$2.5bn	Est.AuM \$3bn	Est.AuM \$3.5bn
1 day	14%	13%	12%	11%	10%
3 days	30%	28%	24%	21%	19%
10 days	58%	54%	49%	45%	41%
20 days	80%	76%	68%	62%	58%
40 days	93%	91%	88%	85%	80%
60 days	97%	96%	93%	91%	89%
90 day	99%	98%	97%	96%	94%
>90 days	1%	2%	3%	4%	6%

Days to Liquidity	Cur.AuM \$1.77bn	Est.AuM \$2bn	Est.AuM \$2.5bn	Est.AuM \$3bn	Est.AuM \$3.5bn
1	5%	5%	5%	5%	5%
1-3	6%	6%	4%	0%	0%
3-10	19%	18%	15%	18%	15%
10-20	18%	11%	10%	10%	10%
20-40	31%	38%	37%	27%	20%
40-60	13%	7%	12%	18%	26%
60-90	2%	8%	8%	7%	7%
>90	7%	7%	9%	15%	17%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Participation rate - 25%, FX Rate - 82.25, Average Volume - Avg Vol D30

## DSP Midcap Strategy – Valuation

No. of Companies	Particulars	Total Weights (%)	P/E - FY26E	P/BV - FY26E	ROE-FY26E	Growth-FY26E
19	Less than 20x P/E	29%	13.8	2.5	15.7%	16.1%
17	Between 20x and 30x P/E	28%	24.5	5.5	20.0%	24.1%
23	Above 30x P/E	38%	42.0	10.3	22.2%	21.0%

Source: Bloomberg, Apr 2024

## Large Part of Portfolio consist of category leaders

These companies are category leaders in the respective segments / sub-segments.

Company	Segment / Sub-segment
Atul	Largest in several speciality chemicals
Chola investment	Largest CV financier
Supreme Industries	Largest plastic pipes player
Bata	Largest Footwear company
Sheela Foam	Largest Mattress & Foam manufacturer
Coromandel International	Largest Phosphatic player
Phoenix mills	Largest mall operator
Tata Chemicals	Largest Soda Ash & Salt manufacturer
Jubilant Foods	Largest QSR Player
Kajaria	Largest Tiles manufacturer
Polycab	Largest cable player
Container Corporation	Largest container rail operator
IPCA	Largest Branded pain medicine company in India
Cyient	Global leader in aerospace ER&D
APL Apollo	Largest structural tubes player in India

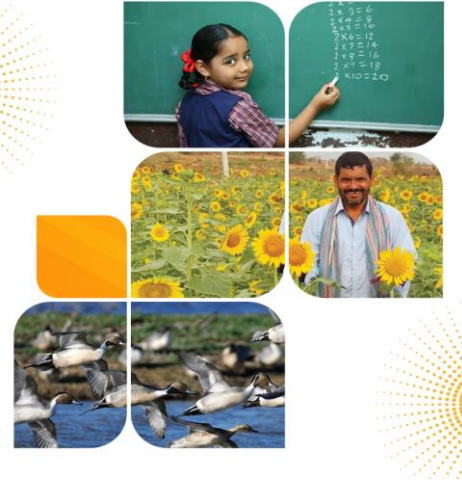
**Some of these sectors are available only in Small / Mid Market Capitalization**

The sector(s)/stock(s)/issuer(s) mentioned herein does not constitute any research report/recommendation and our strategy may or may not have any future position in these sector(s)/stock(s)/issuer(s). These are for indicative purpose only. Actual portfolio may be different.

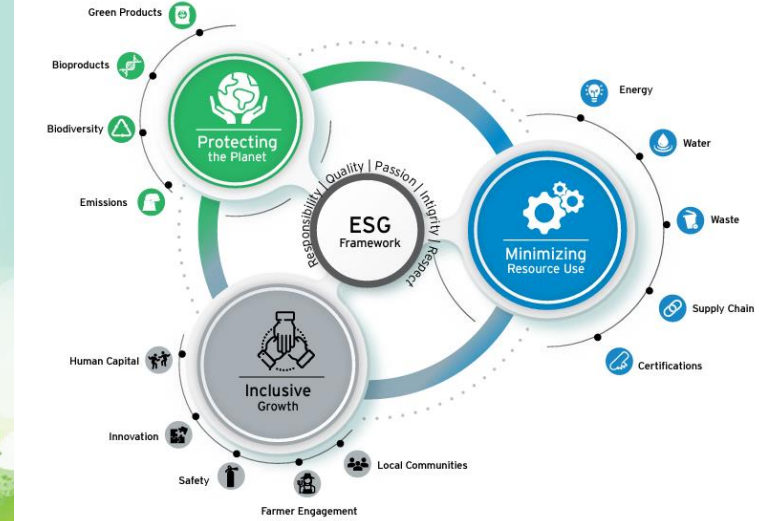
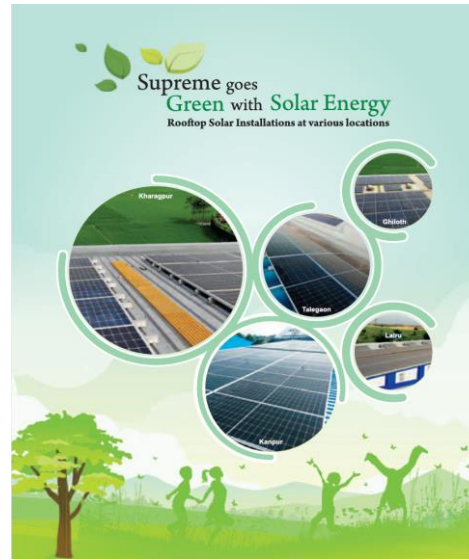
# “Sustainability” emerges as a common word across annual reports in India

## Coromandel

Nurturing A Sustainable Tomorrow



## Supreme Industries



Innovation for sustained exploration

Machine

SUSTAINABILITY

Terrain

Iconic landscapes

Thriving resilient people

Man

Eicher Motors



### Serving the society

The founder of our Company should not be a day every day of his adult life to serve the society. The business enterprises he established inevitably contributed in serving the society. His legacy of generosity and exemplary service has been the inspiration for team Atul ever since its inception in 1947.

Strive not to be a success, but rather to be of value. - Albert Einstein

- Education**
  - Provided quality primary education to 4,446 children in 70 villages through 1641 Anganwadis
  - Distributed writing material to 4,348 students of 34 schools in 17 villages
  - Supported 2,393 students by enhancing educational practices in three schools
  - Provided support to set up computer laboratories in two primary schools benefiting 400 students
  - Provided self-paced learning among 300 secondary students using tablets through a tablet laboratory

- Supported 192 students by improving educational practices in a tribal school
- Provided food board support to 136 children living in difficult conditions
- Imported relevant therapy sessions to 31 special children
- Issued scholarships to 21 needy students
- Strengthened digitization and created a portal to conserve about 80,000 ancient manuscripts

- Empowerment**
  - Trained 805 youth in 13 vocational courses
  - Trained 176 youth in collaboration with National Bank of Agriculture and Rural Development
  - Supported 111 micro-entrepreneurs by providing training and bank loans
  - Formed 29 self-help groups to empower 348 women
  - Assisted 937 families to avail benefits of government schemes

- Health**
  - Developed 2,552 nutrition gardens in 79 villages benefiting 12,780 people
  - Conducted 10 women-specific health camps benefiting 1,247 adolescent girls and women
  - Organized 19 blood donation camps in 21 villages; 3,258 units of blood were collected
  - Conducted 15 eye camps benefiting 5,876 patients; 4,727 patients were provided with spectacles
  - Supported 185 families to renovate their toilets

- Relief**
  - Provided financial assistance to 34 needy and critically ill patients
  - Offered financial assistance to 20 COVID-19 patients
  - Provided blood units to 140 poor and abandoned patients
  - Assisted in setting up two COVID-19 care centers benefiting 1,400 patients
  - Supported five hospitals with medical equipment to treat COVID-19 patients

- Infrastructure**
  - Developed four model anganwadis in three villages benefiting 140 children
  - Renovated five schools benefiting 2,407 students
  - Constructed community halls in two villages
  - Built toilet blocks in three primary schools and in a village talpa
  - Erected the first floor of a school benefiting 300 students

- Conservation**
  - Collected 218 tonnes of waste from which 196 tonnes were recycled
  - Installed 15 kWh solar power plant generating 22,500 kWh energy annually in a tribal school at Hovant, benefiting 192 students
  - Installed solar pumps consuming 44,520 kWh green energy annually, benefiting 38 farmers and 38 agriya family members
  - Built 412 structures for conservation of soil and water at the Parnem block
  - Planted 48,000 trees to preserve biodiversity





# Possible risks of investing in small cap companies

---

Investing into small cap and mid cap companies could come with a variety of risks such as, but not limited to

Business model might not scale

Liquidity risk

Corporate governance concerns

Key-man (promoter) risk

Volatility in returns

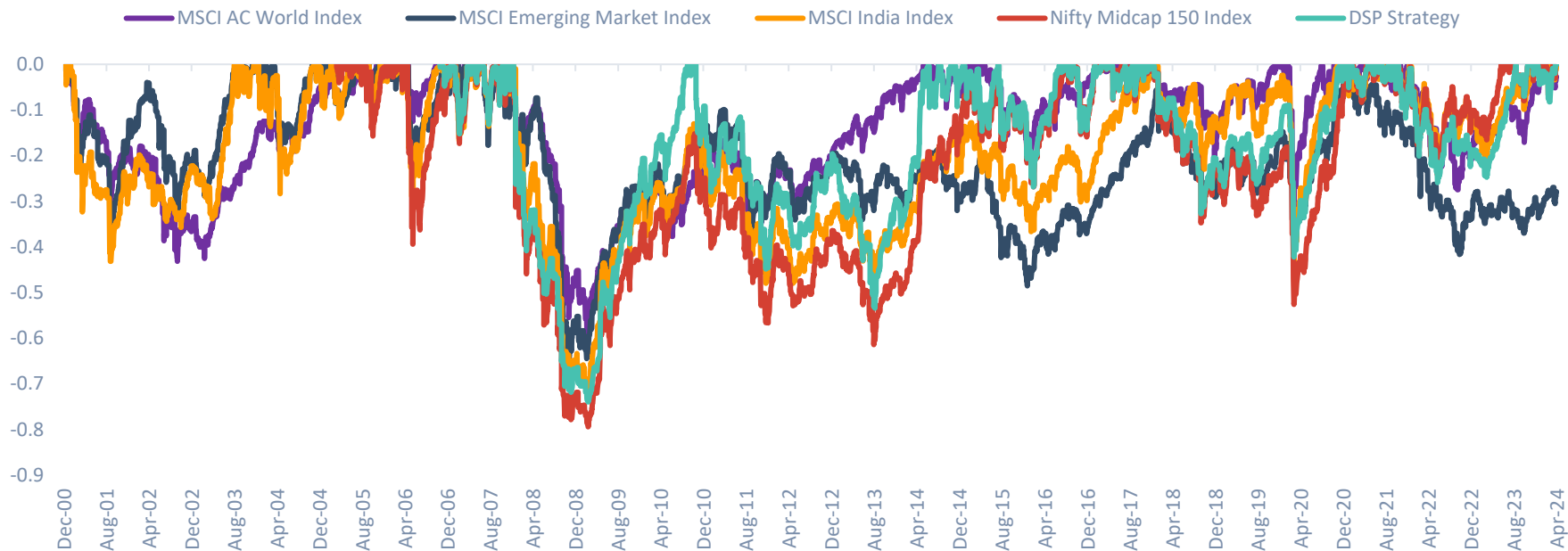
Unproven business models

Insufficient data on businesses

Additional country risks for international investors may also apply such as political risk, currency risk, macro risk, regulatory risk, sovereign risk, economic risk to name a few.

# Maximum drawdowns

A **drawdowns analysis** suggests that an actively managed India small cap funds is not different from the large & mid cap index...



Maximum Drawdown	MSCI AC World Index	MSCI Emerging Market Index	MSCI India	Nifty Midcap 150	DSP Strategy*
Since 2000	60%	66%	73%	79%	74%

Source: Bloomberg, Data from Dec 2000 to Apr 2024. \*Data from DSP Strategy from Nov 2006. All figures in USD

# Strategy Performance track record

USD CAGR Performance as on 30 Apr 2024. Compared with all UCITS funds focused on India.	1-Year	3-Year	5-Year	8-Year	10-Year	Since Inception
	28-Apr-23	30-Apr-21	30-Apr-19	28-Apr-16	30-Apr-14	14-Nov-06
DSP INDIA EQUITY/MIDCAP STRATEGY*	33.70%	10.82%	14.05%	13.53%	15.16%	11.57%
<b>Ranking</b>	<b>14</b>	<b>31</b>	<b>7</b>	<b>4</b>	<b>1</b>	<b>2</b>
No of funds	70	64	58	51	47	21
Quartile Position	1	2	1	1	1	1
MSCI India USD	34.07%	13.50%	11.92%	11.86%	10.06%	7.17%
Nifty Midcap 150 TR	55.37%	23.37%	21.16%	17.78%	18.12%	11.98%

Note: \*Performance <= 3-year given above is for DSP India Equity Fund (DSPIESU) and for >3yr performance is of Representative Mid Cap Strategy

CY Performance	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006 (from 14th Nov)
DSP Strategy	30.60%	(11.60%)	25.84%	20.54%	6.9%	(17.7%)	48.8%	8.6%	2.4%	66.8%	(10.0%)	40.5%	(38.7%)	34.9%	129.2%	(66.4%)	73.5%	3.7%
<b>Ranking</b>	<b>3</b>	<b>17</b>	<b>16</b>	<b>8</b>	19	54	12	2	10	2	41	2	35	2	2	30	10	28
No of funds	41	41	42	43	44	63	60	56	55	54	51	49	46	41	39	38	34	32
Quartile Position	1	2	2	1	2	4	1	1	1	1	4	1	4	1	1	4	2	4
MSCI India USD	20.81%	(7.95%)	26.23%	15.55%	7.58%	(7.30%)	38.75%	(1.43%)	(6.12%)	23.87%	(3.8%)	26.0%	(37.2%)	21.0%	102.8%	(64.6%)	73.1%	5.1%
Nifty Midcap 150 TR	43.70%	(6.40%)	45.29%	22.42%	(1.55%)	(19.94%)	65.79%	3.80%	4.72%	59.14%	(12.55%)	42.18%	(41.93)	24.97%	123.74%	(71.61%)	100.07	5.41%

Dsp India Equity/Midcap Strategy has beaten average India focused UCITS returns on a 1,3,5,8,10 & Since Inception basis

Source: MSCI, Internal, Bloomberg, data as of Apr 2024. DSP Strategy returns are net of fees. Indices are unmanaged and used for illustrative purposes only and are not intended to be indicative of any fund's performance. It is not possible to invest directly in an index. **Past performance is not a reliable indicator of future results.** The DSP Strategy has been implemented since 14 Nov 2006 through certain products managed by DSP Asset Managers Pvt. Ltd., which are not available for investment in any jurisdiction except for India. Alpha is defined as the excess return over benchmark.

# ESG / RISK Framework

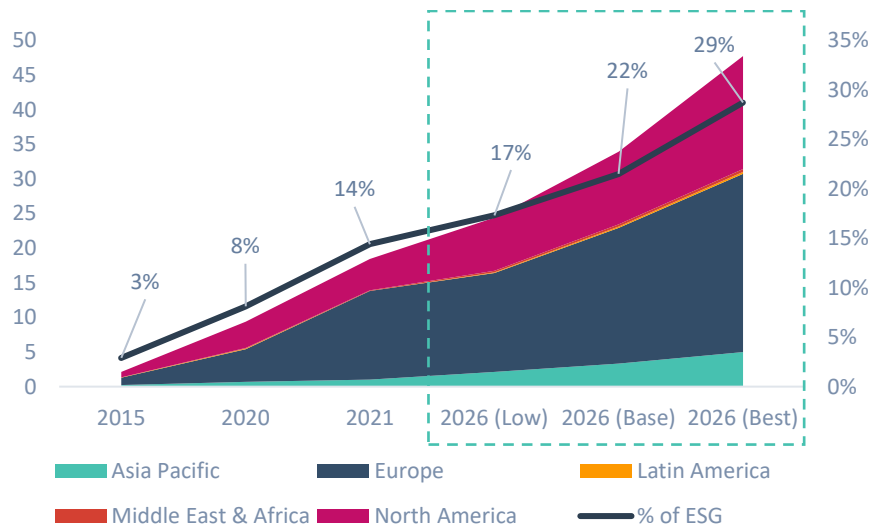


Further information about the sustainability-related aspects of the Fund is available at the following website [[Link](#)].

# Market sentiments on ESG

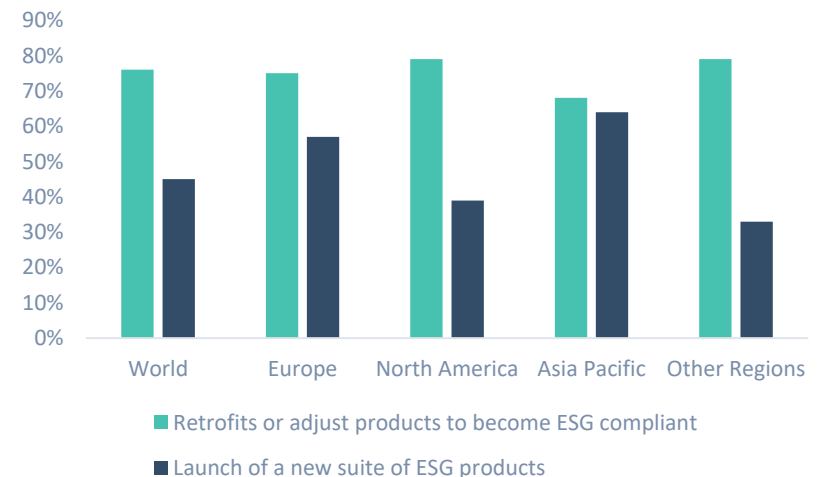
- ESG will continue to mature while it recalibrates. While we move towards maturity from an ESG process oriented approach to outcomes we observe a shift towards **supporting ESG improvers**.
- Market demand is driving the growing use of alternative data, industry-specialized resourcing, **de-siloing of the ESG function**, forward-focused analytics.
- In investment analysis, **accepted and well-demonstrated links to fundamentals** are being researched over the re-rating of ‘obvious’ thematic winners.
- Regulators are **attempting to curb greenwashing** from mislabelling and misuse sustainability claims in financial products by way of scrutiny and new regulations
- **Impact confusion** associated with ESG products will intensify, there will be even more uncertainty in 2023 about what constitutes “real” impact.

## Global ESG AuM by region



Source PWC AWM survey, 2022

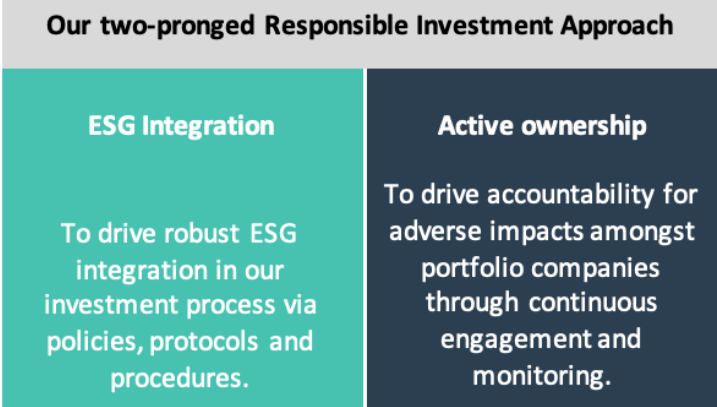
## Innovation lags enthusiasm in the creation of ESG funds



Source PWC AWM survey, 2022

# Responsible Investment

## RI Policy & Engagement Policy



### International network & forums



Signatory of:



<https://www.climateaction100.org/whos-involved/investors/>

Sources: Industry sources

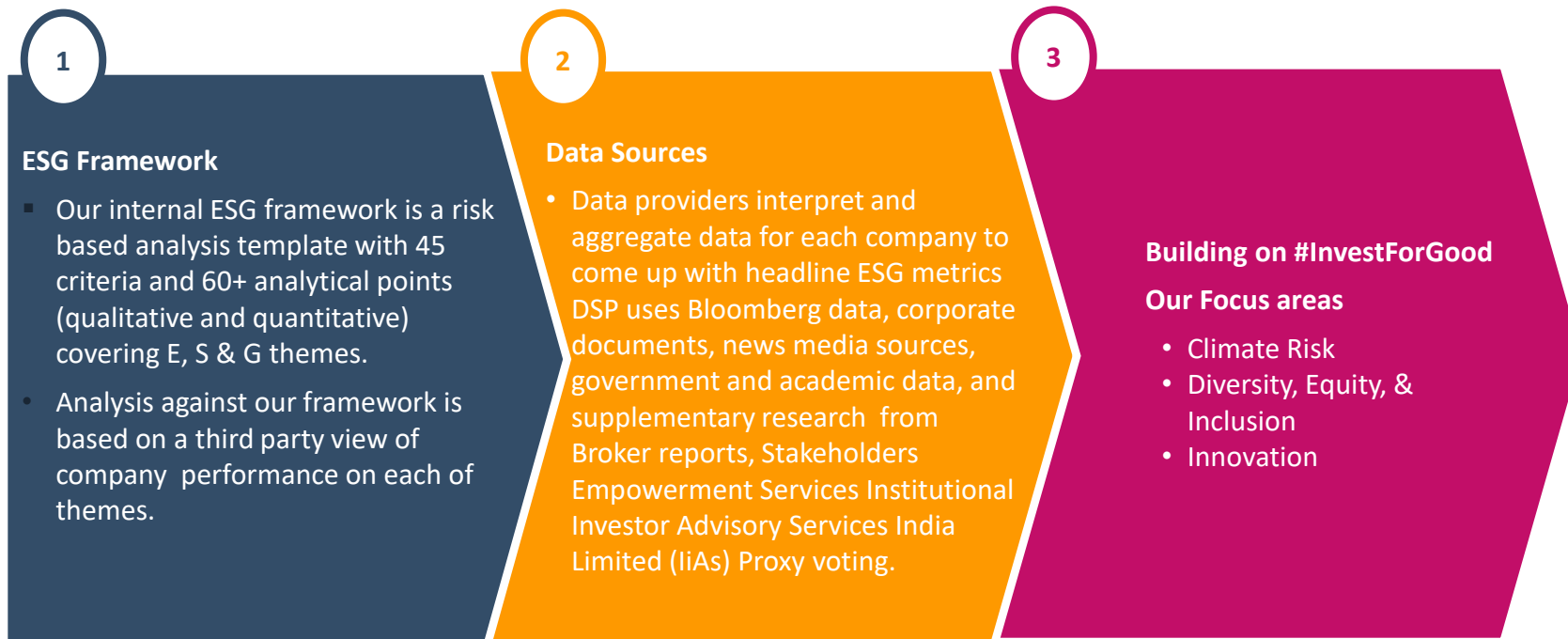
### Outreach

- Collaborates with lead investors on CA100+ engagements for three companies in the hard to abate sector.
- Participated in the UNPRI conference, 2022 at Barcelona and a panelist speaker on domestic [sustainable palm oil organized by the CRB at Delhi](#).
- Media articles on [ESG & Investment thesis](#), [Climate risk and fiduciary duty](#)
- The investment team including analysts and portfolio managers participate in discussions on ESG topics. Some examples include discussions on sector specific material issues, climate risk, planetary boundaries, energy transitions and food system transitions.

# ESG integration

## Two pronged approach

1. **ESG INTEGRATION:** We have a [Responsible Investment policy](#) and a ESG Framework guiding our ESG Integration approach.



2. **ACTIVE OWNERSHIP:** Material ESG issues from the internal framework/ MSCI are researched and compiled along with other fundamental parameters and stock recommendations. We are formalizing engagements based on planned engagement milestones . Engagement with companies - CXOs, board members and investors relations teams, including proxy voting.

# ESG Investment Process



## ESG Framework & Database

The ESG framework is central to our responsible investment approach.

- It comprises of a proprietary risk-opportunity structure consisting of scored criteria and data points. Together, these constitute 45 scored criteria and 60 analytical data points covering the breadth of material environmental, social and governance topics.
- The sustainability criteria described involves collating and analysing data on; stakeholder environmental/social concerns, greenhouse gas emissions profile, long & short term climate targets, forest land, biodiversity, water & wastewater, energy, circular economy, innovation, human rights, decent work, diversity, human capital management, data privacy, product quality, safety, supplier engagement, selling practices and access & affordability etc.
- On governance we research on related party transactions, board & key management personnel (KMP) remuneration, board independence, promoters pledging, audit quality, controversies and credit rating parameters to name a few.

## Engagement

Engagement motivations are two-fold; to mitigate risk and generate positive impact. The process has been structured as follows; open dialogue on material ESG criteria >> ask for clarifications/additional information or support the company in understanding the issue at hand >> suggest best practices with targeted and time sensitive outcomes >> in severe cases set up guardrails >> monitor outcomes.

The firm stewardship committee and active voting on company resolutions, with the help of a proxy voting firm are also part of the engagement process.



# Engagement Tracking: The Rationale

Company					
ISIN					
Macro Economic Sector	Consumer Discretionary				
Sector	Consumer Durables				
Industry	Consumer Durables				
Reporting Frameworks	BRR				
Report Assured	0				
Analyst Reco	Buy				
	Score	%	Engagement Area	Engagement Theme	GHG emissions reported
E	7	50%		Carbon footprint, Traceability,	Emission Reduction plan exists
S	6	75%			DEI strategy
G	8	89%			Gender diversity
ESG	21	68%			Innovation strategy
					Products services with Environmental or Social objectives
					Board Oversight
Type of engagement	Meeting				
Engagement Rationale	<p>The company has a focus on providing new product features using innovation, with a focus on product safety. The company has obtained certifications for MDF varieties from FSC, CARB Certification Grade, emission zero. It reports 60% of costs are attributed to raw materials. And the company reports 15% of its raw material is imported. The company does have basic/generic disclosure on sustainable raw material sourcing. The company has an opportunity to improve disclosure on raw material traceability, and information of biodiversity impact of operations. Based on the global industry peer set, companies with over 50% of assets (2020) based in the U.S. or Europe had at least 60% of their products externally certified to sustainable sourcing practices e.g., Forest Stewardship Council (FSC) or Programme for the Endorsement of Forest Certification (PEFC). Currently, the company has certifications for its MDF varieties only. The company is lacking quantitative disclosure on its carbon footprint, safety metrics, and water usage.</p> <p>Being involved in the "forest products" sector and being dependent on a product with bio diversity impacts some of the best practices of responsible operations include</p> <ol style="list-style-type: none"> <li>1. Certification of products on sustainable sourcing practices</li> <li>2. Traceability of raw material</li> <li>3. Commitment to not operate in biodiverse /fragile or ecologically sensitive areas</li> <li>4. Clear targets with regard to land use and reforestation</li> </ol> <p>On Governance front key issues in the past pertained to high loans/ advances by related parties and high managerial remuneration. On related party loans they have improved significantly in FY22. On remuneration, while the ratio seems to be high, financial performance has been good and hence no specific engagement is needed on this front.</p>				
Engagement Outcomes	<p>The company has on boarded a consultant to have a ESG roadmap focusing on strategic material issues to the business. The company plans to disclose on its carbon emissions and strategies on a reduction plan shortly after. Based on the information provided by the IR representative the company only harvests plantation timber. Its exposure to imported timber is concentrated in a single geography due to a structural scheme offered by the country (Gabon). Previously, the company has had exposure to Myanmar. The company has recorded a impairment loss for asset in Gabon. On raw material pricing risk, the company highlighted normal fluctuation from farmers shifting to cash crops, with a favourable ROI. We have requested the company to consider reporting data on raw material import exposure, certification on sustainable sourcing of products, traceability and biodiversity impacts.</p>				
Engagement Milestones	<p>We have requested the company to consider reporting data on raw material import exposure, certification on sustainable sourcing of products, traceability and biodiversity impacts.</p>				
Next steps	TBC				
Monitoring required	Yes				

# Engagement Tracking: Collaboration & Next Steps

## Engagement on key aspects of ESG

To

Cc Ghosh, Abhishek (India); Singhania, Rohit (India); Sambre, Vinit (India); Aiya, Nilesh (India); Kothari, Jay (India); Gandhi, Bhavin (India)

This message was sent with High importance.



As active investors in India, we firmly believe ESG is an important aspect in building sustainable and scalable businesses of the future. DSP Investment Managers is a signatory to the [UNPRI](#) and we have formally adopted a [Responsible Investment](#) policy. As long-term investors, DSPIM engages in a dialogue with companies. We believe that our long-term success and contribution to sustainable development depend on our engagement and active monitoring of the companies invested in. On behalf of our clients, we have an interest in understanding the corporate governance and sustainability framework of the companies in addition to their operation and strategy.

We use engagement interactions to facilitate an open dialogue, with targeted and time sensitive outcomes that better inform our investment decisions. We realised that issues highlighted by third party agencies do not take business realities and complexities into account while following their “template based” approach to ESG rating. Hence, we have a dedicated team looking at various aspects of ESG. The ESG team works closely with sector experts to arrive at issues that we believe are key to responsible investing. We have conducted detailed research on Century Ply board and we have identified two key issues on which we would appreciate additional information from your end.

**Raw material sourcing, traceability and certification:** Raw material sourcing practices are a material issue to the sector. I appreciate you mentioned the company sources 100% plantation timber. Can you please elaborate on the same and provide the following;

- Certifications: Data on the number of products and types of certification on sustainable sourcing
- Traceability: Data on 15% (timber logs and veneer) imported raw material (the geographies and quantities)
- Insight on future raw material sourcing strategies

Something to consider on the regulation front is that recently a group of 27 countries including Gabon are part of a voluntary partnership, Forest and Climate Leaders’ Partnership ([FCLP](#)), to reverse forest loss and land degradation by 2030. Similarly, Gabon’s government declared to have all forest concessions to be Forest Stewardship Council (FSC) certified by 2022 (or maybe delayed to 2025).

**GHG emissions:** Can you please provide the GHG emission profile of the company including both, operational and supply chain emissions? I appreciate your communication on GHG emissions and emission reduction plans being on the agenda for FY2023-24. I suggest preparing to respond to the Carbon Disclosure Project (CDP) questionnaire, which is a best practice. It is a comprehensive exercise which can help with planning on actions to improve sustainability.

Please keep me posted when you have more insight and direction on your collaboration with the ESG consultant you plan to onboard. I would be happy to connect.

Thank you

Best,  
Chaitra Nayak,  
ESG Analyst - Investments

# Sceptical/ Forensic Analysis

We manage risks by rigorous forensic research (refer to the detailed framework at the end) on investee companies.

We aim to identify and mostly avoid companies which depict below characteristics:

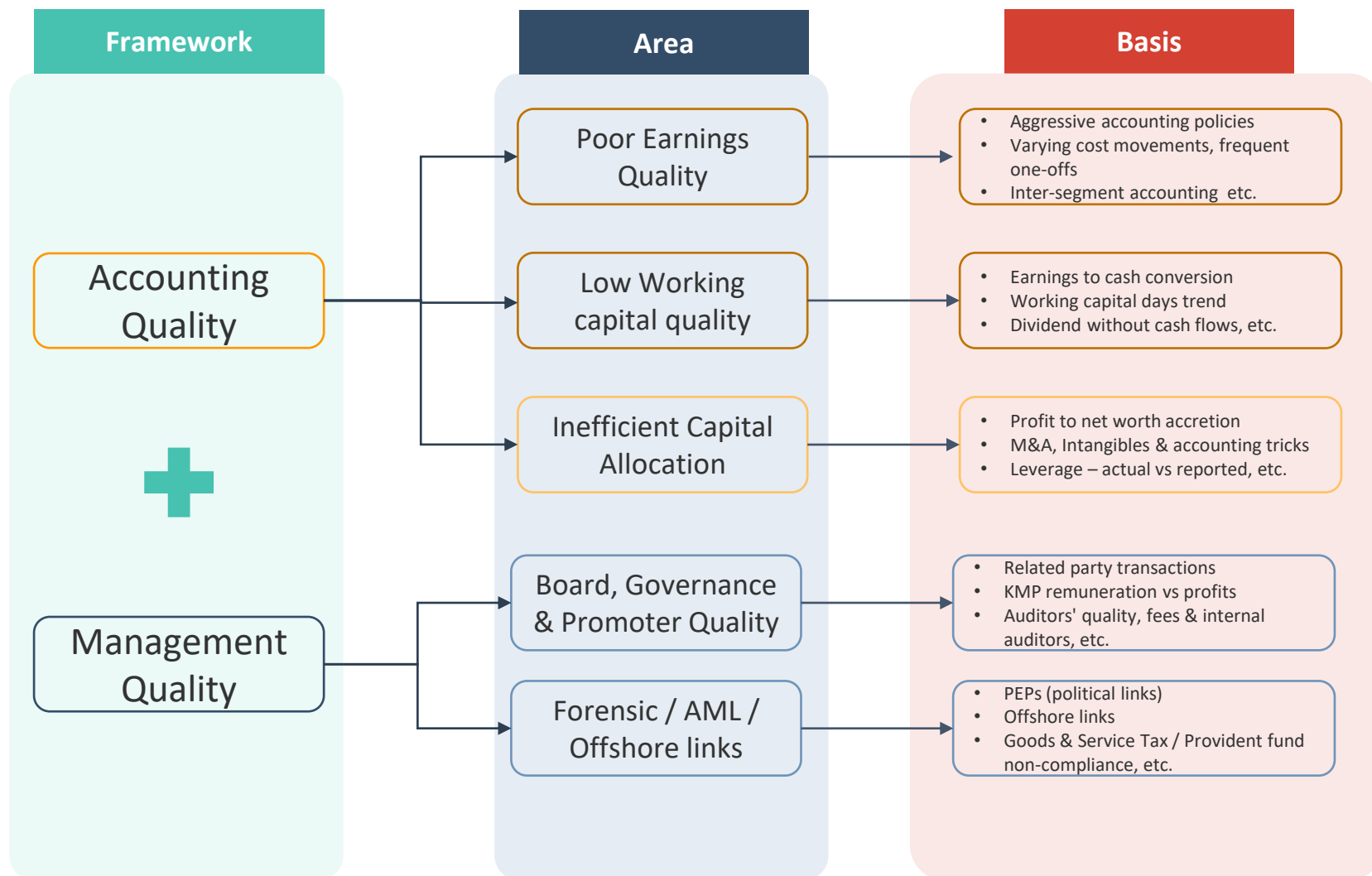
1. Poor earnings quality, aggressive accounting and consistently overstating earnings
2. Manipulated cash flows which mask the real picture
3. Bad capital allocation and high Balance sheet (BS) risk
4. Poor Board, Governance and Promoter background/ quality



## Ultimate objective:

Value of accident avoided is almost always underappreciated until one occurs. By having a specialist in the team, we aim to increase our rigor on forensic research part and avoid most accidents instead of being part of them.

# Governance Framework:



# Investment Risk Management at DSP

## Portfolio Risk Monitoring

- Independent Risk & Quantitative Analysis team (RQA)
- Regular Risk meetings to “Hold a Mirror” to portfolio risk
  - Macro stress testing
  - Sector & style exposure & returns monitoring, market trends
  - Tolerance limits for stop losses and drawdown

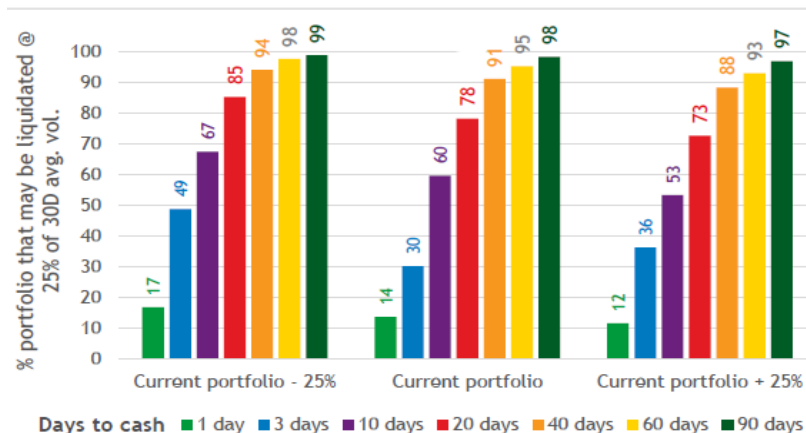
## Key Inputs

- Stock level contribution to risk
- Predicted vs delivered volatility & beta
- Factor risk breakdown of portfolio, including NAV at risk analytics
- Tactical indicators for monitoring reversal risks

## Position Level Monitoring

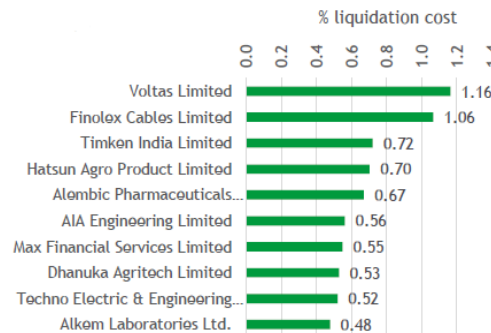
- Constant review of performance: large winners / losers
- Constant monitoring of investment thesis with research team

Indicative: It takes ~10 days to liquidate 60% of the DSP Strategy portfolio



Current portfolio +/-25% refers to the assets (AUM) in the strategy increased or decreased by 25%, as two alternative scenarios, to depict how liquidity of the portfolio could change under these new AUMs

## Top 10 scrips by liquidation cost



## Worst 3-day drawdowns

n-th worse redemption	3-day redemption	Date	AUM (INR cr)
1	-4.16%	07-Jan-13	1,316.09
2	-3.95%	08-Jan-13	1,320.58
3	-3.89%	04-Jan-13	1,317.74
4	-2.78%	20-Jan-09	434.49
5	-2.68%	16-Jan-09	433.27

Since 01st Jan 2008

Source: Internal; Note: Investment process is subject to change. Charts / Tables depicted are purely illustrative in nature. The above information is only for illustration purpose and should not be construed as recommendation of the stocks. To explain the worst-3-day-drawdown table, the first row represents the biggest redemption ever seen by the fund, in a consecutive-3-day period, which in this case was about 4.16% of AUM and occurred on 7th Jan 2013. AUM = Asset Under Management

# Fund Terms and Structure



# Fund Terms

**Objective\*:** The DSP India Equity Fund (the “Fund”) aims 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.

**Investment philosophy :** Bottom-up approach to stock picking.

**Universe:** It is anticipated that the Fund will invest across the entire range of capitalizations (across large cap, mid cap and small cap), however there will be a focus on mid cap and small cap companies. The Fund is actively managed in reference to Nifty Midcap 150 Index, by virtue of the fact that it uses the Index for performance comparison purposes. However, the Index is not used to define the portfolio composition of the Fund and the Fund may be wholly invested in securities which are not constituents of the Index.”

**Diversified:** Typically portfolio of ~50 stocks across market capitalization

**Risk management:** Governed by a robust risk framework; No leverage;

---

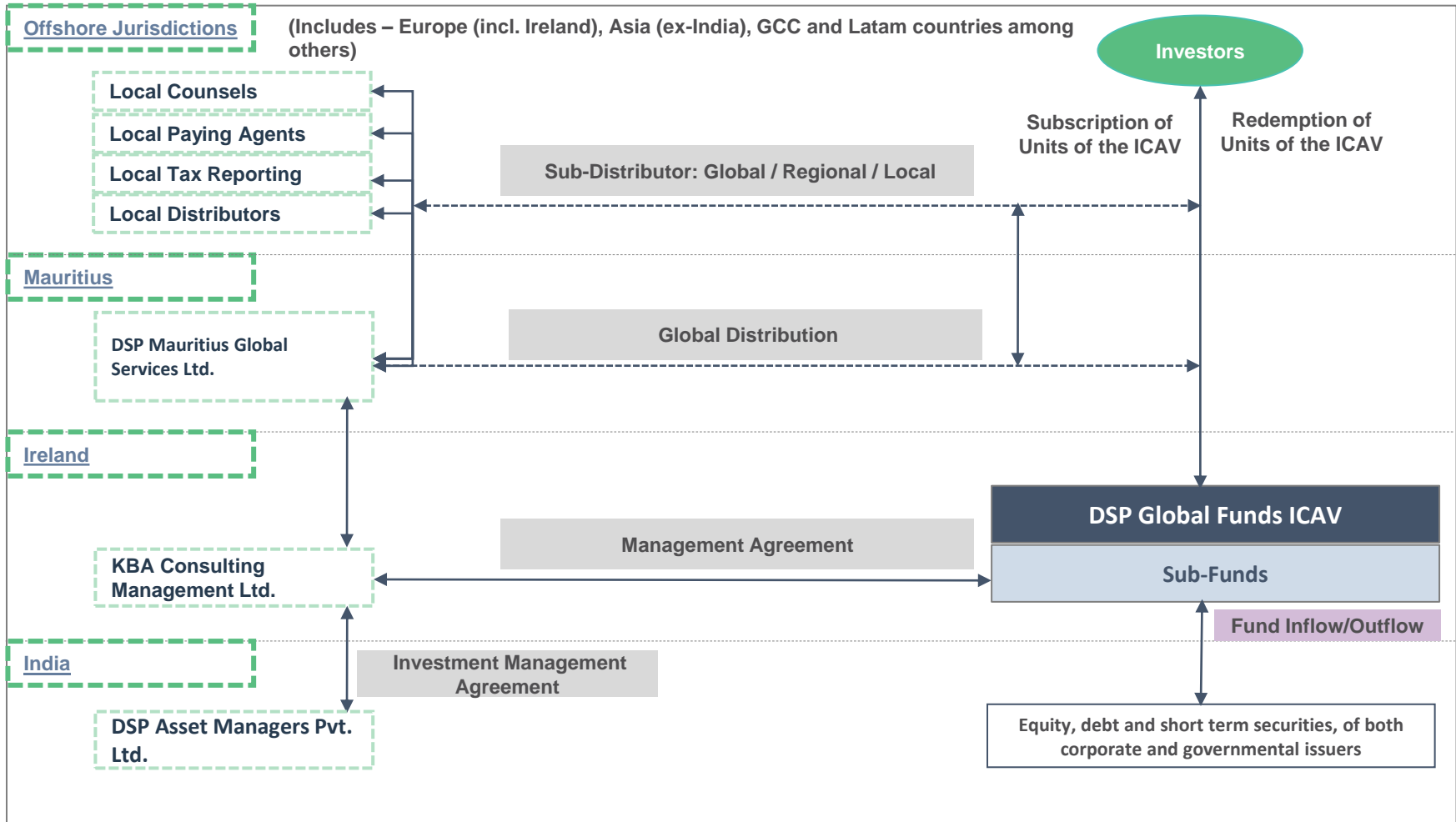
<b>Fund Structure</b>	DSP India Equity Fund is a compartment of DSP Global Funds ICAV, an umbrella UCITS V compliant ICAV
<b>Share class</b>	Seed Class
<b>ISIN code</b>	IE00BKOWZ337
<b>Investment manager</b>	DSP Asset Managers India Pvt. Ltd.
<b>Domicile</b>	Ireland
<b>Inception Date</b>	15 March 2021
<b>Reference Currency</b>	USD
<b>Dealing and Valuation</b>	Daily
<b>Administrator</b>	HSBC Securities Services (Ireland) DAC
<b>Depository Services</b>	Depository – HSBC France, Dublin Branch
<b>Management Company</b>	KBA Consulting Management Limited
	(i) 0.70% of the Net Asset Value of the Seed Class when the Net Asset Value of the Fund is up to \$150 million; or
<b>Seed Share Class – Total Fee and Operating Expenses</b>	(ii) 0.60% of the Net Asset Value of the Seed Class when the Net Asset Value of the Fund is greater than \$150 million and up to \$300 million; or
	(iii) 0.40% of the Net Asset Value of the Seed Class when the Net Asset Value of the Fund is greater than \$300 million
<b>Other fees</b>	As set out in the Prospectus

---

Note: The Fund’s Net Asset Value may have an elevated volatility due to its investment policy. The fees and charges paid by the Fund will reduce the return on your investment. Certain costs paid by the Fund will be charged in specific currency and exchange rate fluctuations may cause these costs to increase or decrease when converted into local currency of the investor. Source: Internal; \*There is no guarantee that the fund will achieve its objective.

# DSP Global Funds ICAV: Structure

- ▶ DSP GLOBAL FUNDS ICAV - An umbrella type Irish collective asset-management vehicle with segregated liability between Funds



Note: The Fund's Net Asset Value may have an elevated volatility due to its investment policy.

Source: Internal; \*There is no guarantee that the fund will achieve its objective.



# Seed share class - Pricing



FUND AUM THRESHOLD	Management Fee	Operating expenses*	Total Expense Ratio
US\$ 0 to US\$ 150 mn	45 bps	+ 25 bps	= 70 bps
US\$ 150 to US\$ 300 mn	35 bps	+ 25 bps	= 60 bps
> US\$ 300 mn	15 bps	+ 25 <sup>#</sup> bps	= 40 bps

Step down

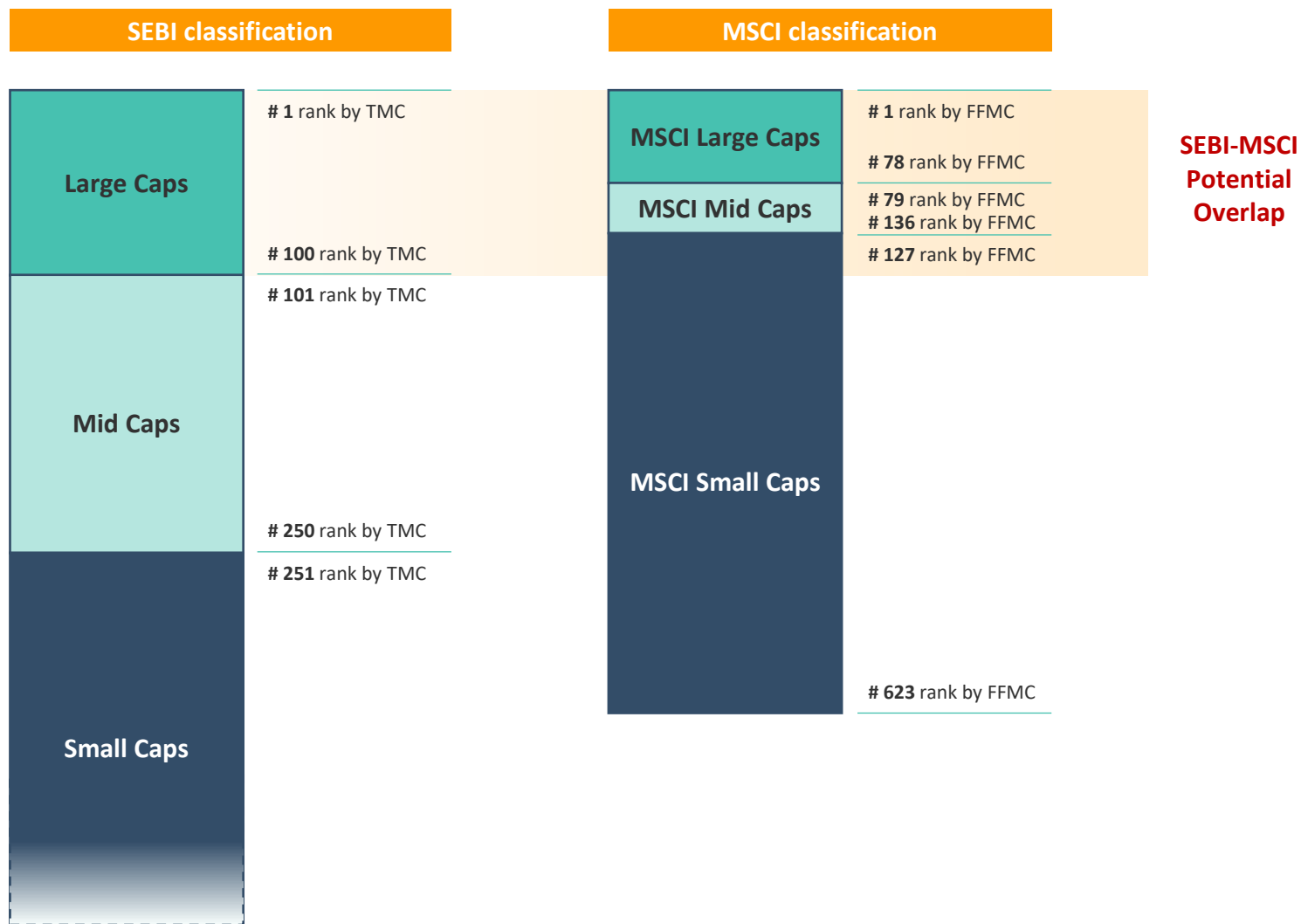
Step down

\* Operating expenses are capped at 25 bps, irrespective of AUM.  
 # Operating expenses can reduce over time with economies of scale.  
 Bps = Basis points. AUM = Asset Under Management  
 Other fees: As set out in the Prospectus, if any

# Appendix



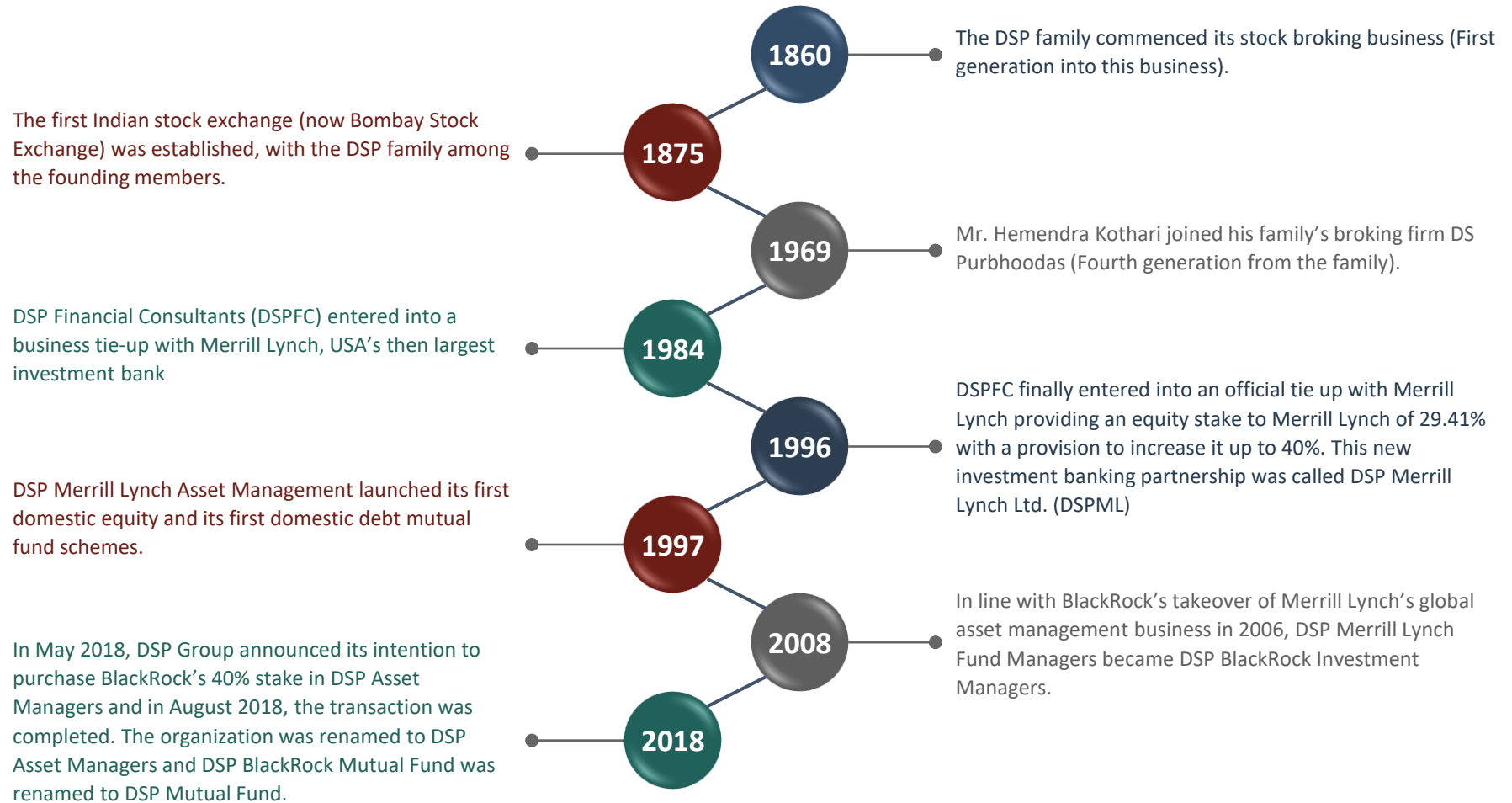
# Market-cap Classification: SEBI versus MSCI



Source: MSCI, SEBI, as of 3 May 2024. SEBI is Securities and Exchange Board of India, the Indian securities market regulator. TMC = Total Market Cap, FFMC = Free Float Market-Cap. Indices are unmanaged and used for illustrative purposes only and are not intended to be indicative of any fund's performance. It is not possible to invest directly in an index.

# Evolution of DSP

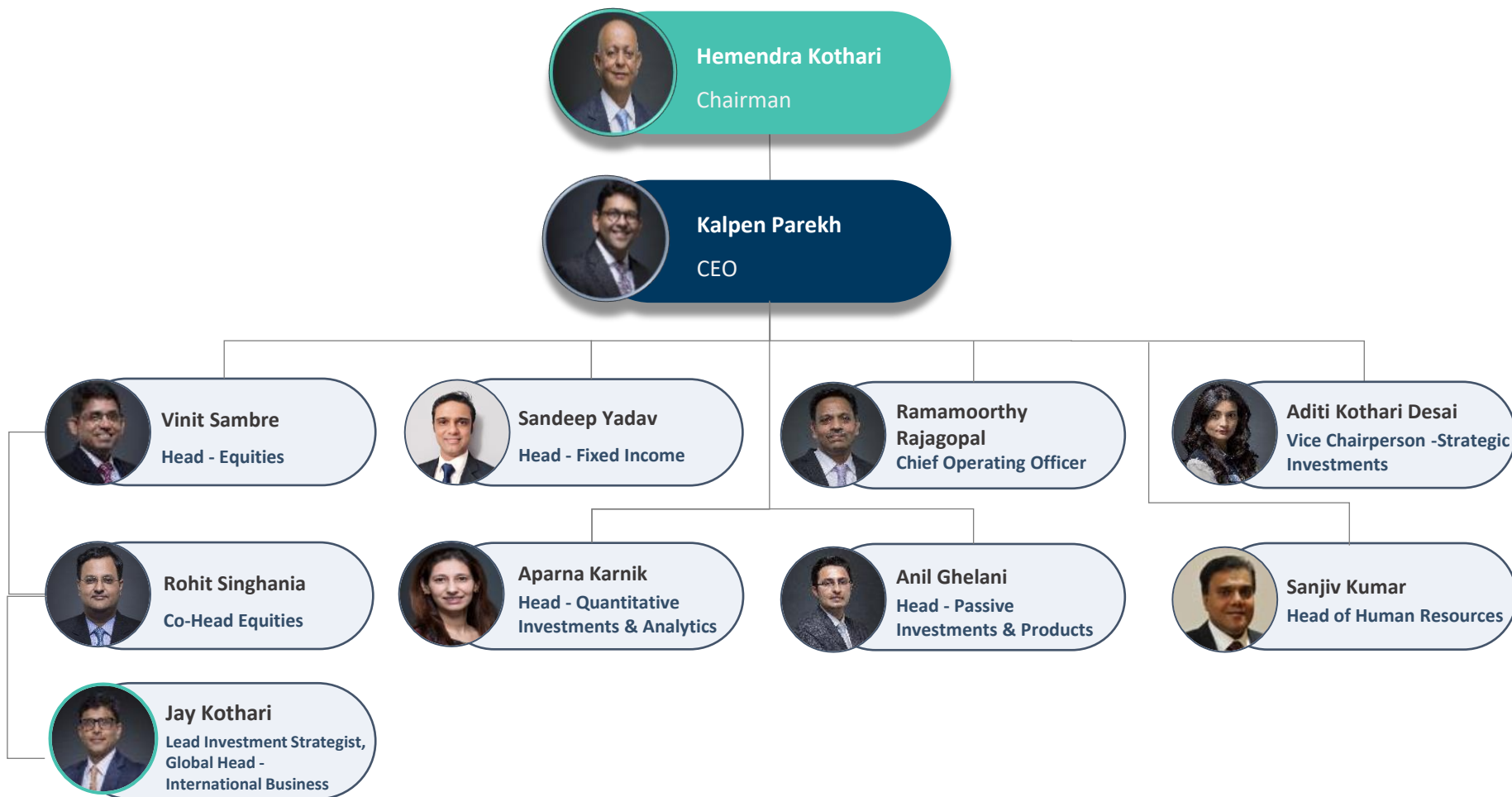
The DSP Group, headed by Mr. Hemendra Kothari is one of India's oldest financial services firms having commenced its stock broking business in the 1860's



Source: Internal



# DSP Organization Structure - Senior Management



Source: Internal

# Incentives aligned to investment objectives

Factors driving performance - <b>Analysts</b>	Share
Model Portfolio outperformance	[ ]%
Research process - Fundamental attributes - Thesis, Extent of variation on chosen fundamental parameters	[ ]%

Factors driving performance – <b>Portfolio Mangers</b>	Share
Fund performance vs. Benchmark 3Y and 1Y (rolling returns)	[ ]%
Research process and adherence to framework	[ ]%

Source: Internal; Actual allocations to each factor may be discussed over a call.

# Offshoring/Manufacturing : The office and factory to the world

- PLI should garner cumulative capex of ~USD 60 billion over next 4-5 years and could fast-track the capex plans of private sector by at least two years

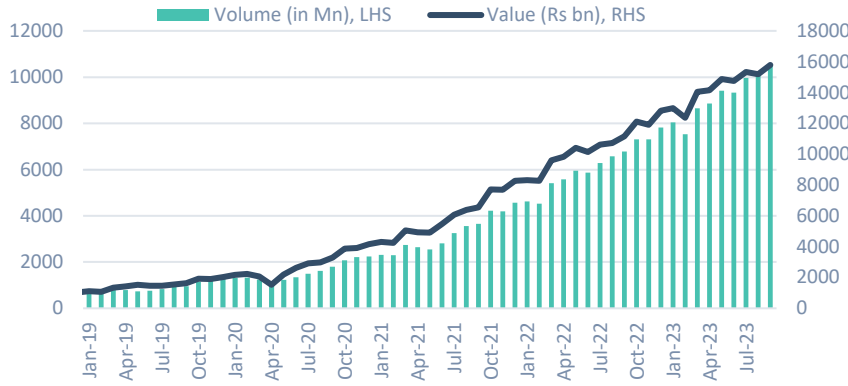
Category	Overall PLI Incentive committed (Rs. Bn)	Committed/ Likely Investment/ Capex (Rs. Bn)	Asset Turnover (x)	Incremental Revenue over 5-year period (Rs. tn)	Employment (Direct + Indirect)	Duration	Companies
Mobiles	410	110	~25x	10.5	5,00,000	FY22-FY27	<ul style="list-style-type: none"> <li>Samsung, Foxconn Hon Hai, Rising Star, Wistron and Pegatron, Lava, Bhagwati (Micromax), Padget Electronics, UTL Neolyncs and Optiemus Electronics.</li> </ul>
Pharma	150	100	~3x	2.9	1,00,000	FY21-FY29	<ul style="list-style-type: none"> <li>Aurobindo Pharma Group, Hetero Group, Karnataka Antibiotics and Pharmaceuticals Limited, Kinvan Pvt. Ltd, Natural Biogenex</li> <li>Siemens Healthcare, Wipro GE healthcare, BPL Medical Technologies, Nipro India Corporation, Sahajanand Medical Technologies, Integris Health, Poly Medicare.</li> </ul>
Pharma – API/KSM	63	54					
Pharma - Medical Devices	28	9					
White Goods & LED	62	79	3-4x	1.7	4,00,000	FY22-FY27	<ul style="list-style-type: none"> <li>42 firms, including Daikin, Panasonic, Syska and Havells, with committed investment of Rs. 46bn have been provisionally selected as beneficiaries under the production linked incentive (PLI) scheme for the white goods sector.</li> </ul>
Solar PV	45	175	~4x	3.5	1,50,000	5 years	<ul style="list-style-type: none"> <li>Jindal India Solar, Shirdi Sai Electricals, Reliance &amp; Adani Infrastructure have emerged as the lowest bidders for the PLI scheme for solar PV manufacturing</li> </ul>
Telecom	122	30	~20x	2.4	40,000	FY22-FY27	<ul style="list-style-type: none"> <li>Nokia India, HFCL, Dixon Technologies, Flextronics, Foxconn, Coral Telecom, VVDN Technologies, Akashastha Technologies, and GS India</li> </ul>
Food	109	61	~4-5x	1.2	2,47,730	FY22-FY27	<ul style="list-style-type: none"> <li>60 companies including Amul, ITC, HUL, Britannia Industries, Parle Agro, Tata Consumer Products and Nestle</li> </ul>
Automobile & Auto Components	260	425	~4-5x	2.3	7,50,000	FY23-FY28	<ul style="list-style-type: none"> <li>Hyundai Motor India, Suzuki Motor Gujarat, Ashok Leyland, Mahindra &amp; Mahindra (M&amp;M), Hero MotoCorp, Bajaj Auto, Ola Electric Technologies have been approved for the Production Linked Incentive (PLI) Scheme for the automobile sectors.</li> </ul>
IT Hardware	50	24	~20x	3.3	1,50,000	FY21-FY25	<ul style="list-style-type: none"> <li>Applicants are Dell, ICT (Wistron), Flextronics, Rising Stars Hi-Tech (Foxconn), and Lava. They include Dixon, Infopower (JV of Sahasra and MITAC), Bhagwati (Micromax), Syrma, Orbic, Neolync, Optiemus, Netweb, VVDN, Smile Electronics, Panache Digilife, HLBS, RDP Workstations, and Coconics</li> </ul>
Speciality Steel	63	400	~1x	2.0	5,25,000	FY23-FY28	<ul style="list-style-type: none"> <li>NA</li> </ul>
Textile	107	190	~3x	3.0	7,50,000	FY23-FY28*	<ul style="list-style-type: none"> <li>NA</li> </ul>
EV Battery	181	450	~1x	~2.2	-	FY23-FY28	<ul style="list-style-type: none"> <li>Participation from 10 companies — Reliance New Energy Solar (RIL subsidiary), Hyundai Global Motors, Ola Electric, Mahindra &amp; Mahindra, Larsen &amp; Toubro, Amara Raja Batteries, Exide Industries, Rajesh Exports, India Power Corporation, and Lucas-TVS</li> </ul>
Semiconductor	760	2300	~0.4x	~4.6	1,35,000	FY23-FY27	<ul style="list-style-type: none"> <li>Vedanta, Foxconn to form JV to bid for PLI</li> </ul>
<b>Total</b>	<b>2,410</b>	<b>4,407</b>		<b>39.6</b>	<b>37,47,730</b>		

Category	
PLI manufacturing commenced/ Awarded	Mobiles
	Pharma - Bulk Drugs & API
	Pharma - Medical Devices
	IT Hardware
	White Goods & LED
	Solar PV
PLI awarding currently in process	Telecom
	Food
	Automobile & Auto Components
	Speciality Steel
	Textiles
EV Battery	
Semiconductor	

**India's export market share to almost double to 4.5% by 2031**

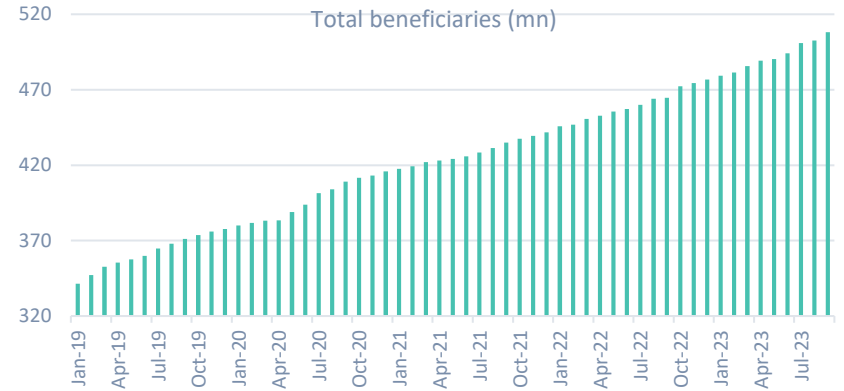
# Digitalization: India Stack (UPI, ONDC, OCEN) enabling Inclusive growth

## UPI payments



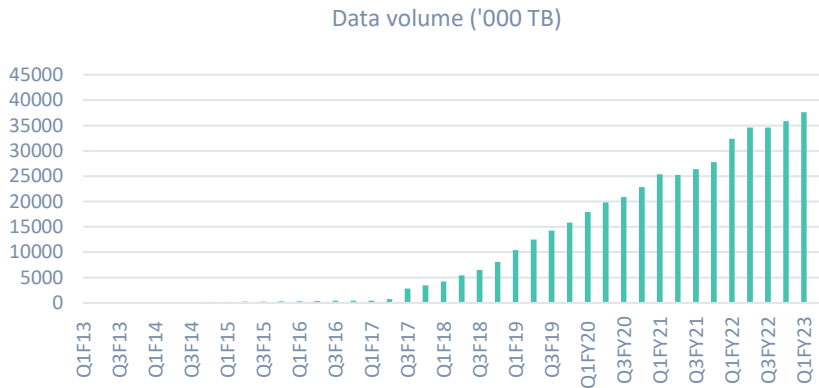
Source: NPCI, UBS

## Jan Dhan bank accounts (mn) driving financial penetration



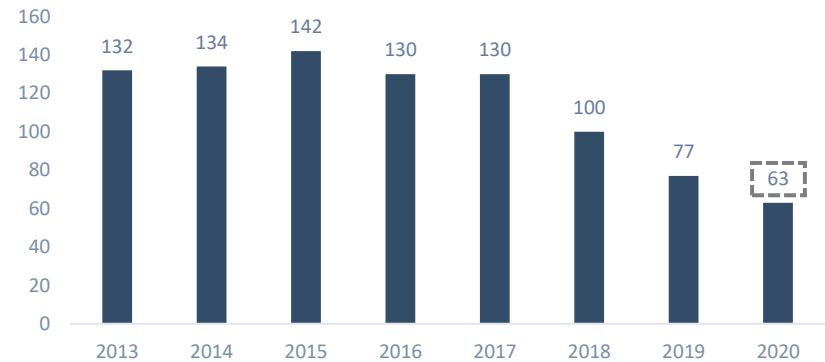
Source: UIDAI, UBS

## Digital boom – supportive of financialization theme



Source: TRAI, UBS

## Ease of doing business

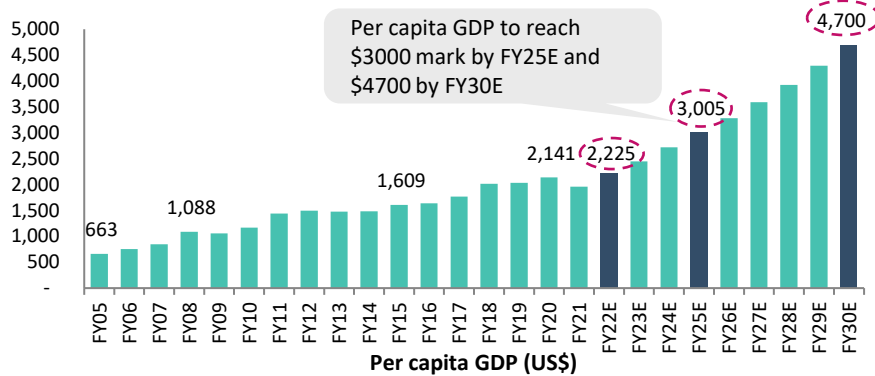


Source: World Bank, UBS



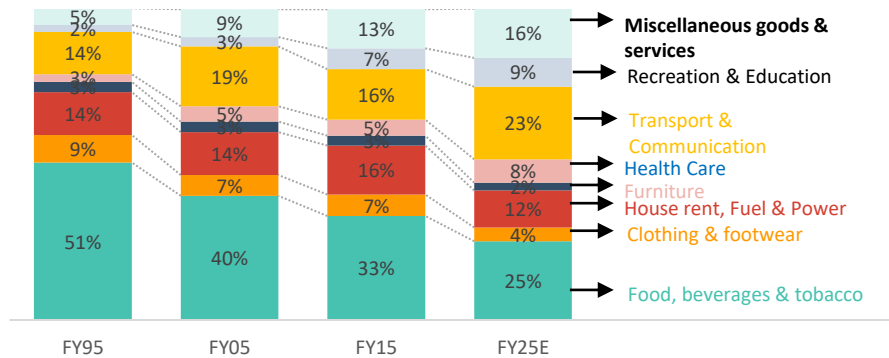
# India's consumer story at an inflection point as it crosses \$2000 per capita income mark

**#1: India has crossed the \$2,000 per capita income mark – which has been an inflection point for non-linear jump in discretionary spend in other countries**



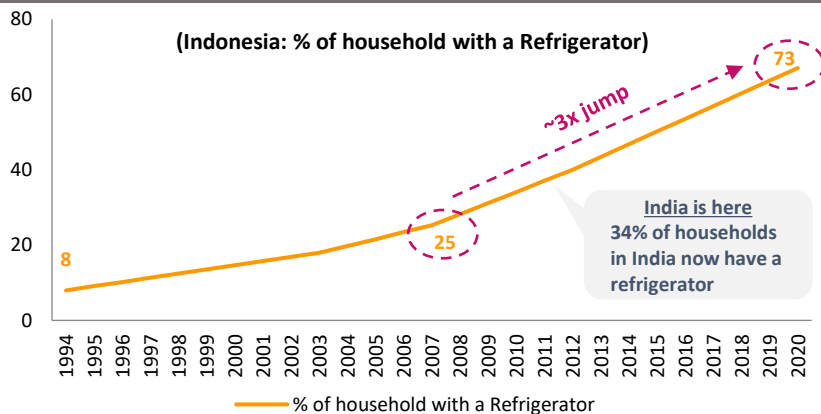
Source: GoI, Spark Capital Research

**#2: Discretionary spending rises as increase in income level drives households to shift their focus from providing only the basic necessities to discretionary spending**



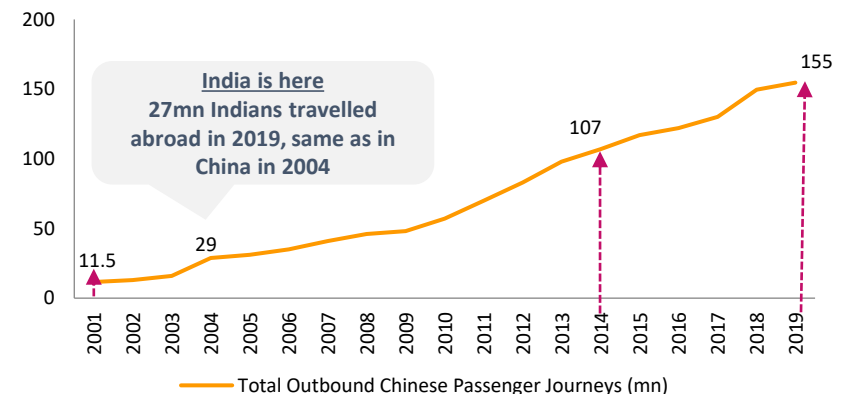
Source: CSO, Spark Capital Research Transport includes purchasing a car, 2-Wheelers etc.

**#3: Sharp jump in consumer durable penetration from Indonesia; Penetration of durable products rises very sharply once a country crosses a \$2000 per capita mark**



Source: World Bank, Spark Capital Research

**#4: Outbound travel from China jumped nearly 10x by 2014 from 11.5mn in 2001**



Source: World Bank, Spark Capital Research

# Energy Transition: India's energy transformation

Exajoules	2021	2031E	Investment, \$bn
Oil	8.5	10.9	
Gas	2.2	3.9	126
Electricity	20.3	39.5	429
Solar Manufacturing Equipment			10
Hydrogen	1	1.9	70
Electric Vehicles			86
Ethanol	0.5	1.3	5
<b>Total</b>	<b>32.5</b>	<b>57.5</b>	<b>726</b>

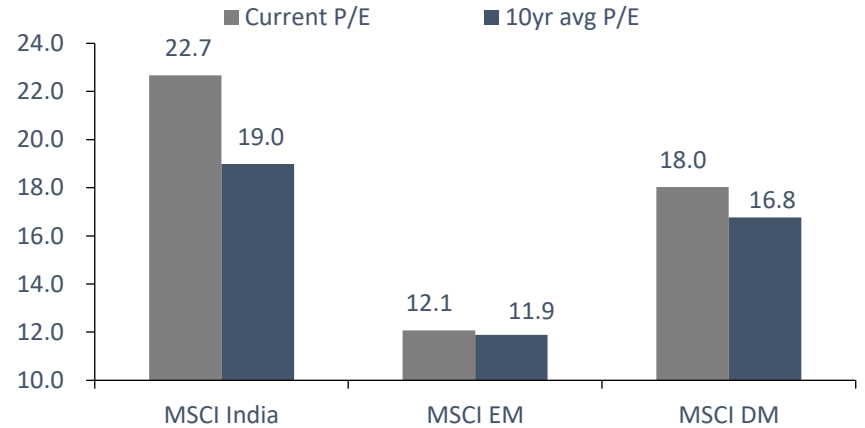
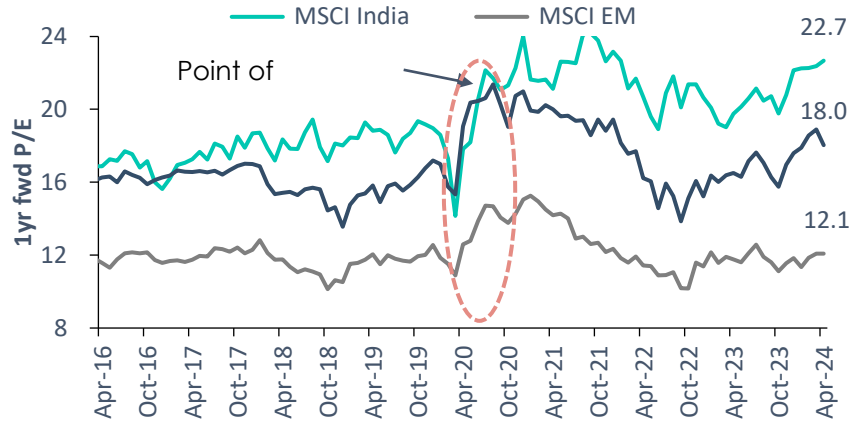
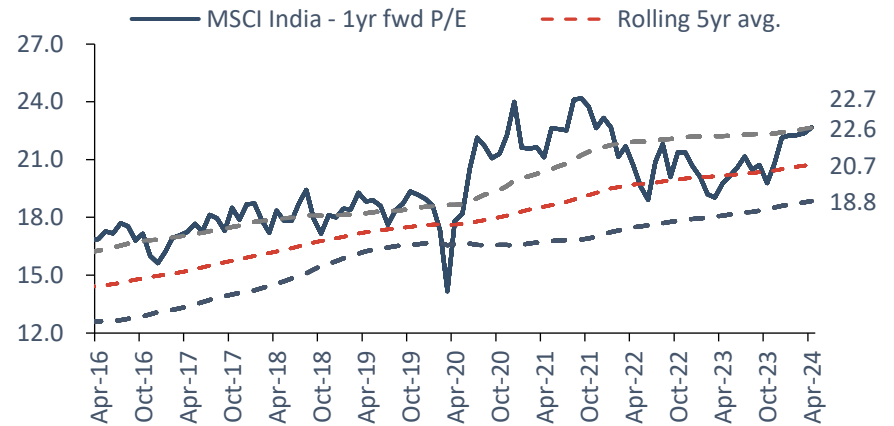
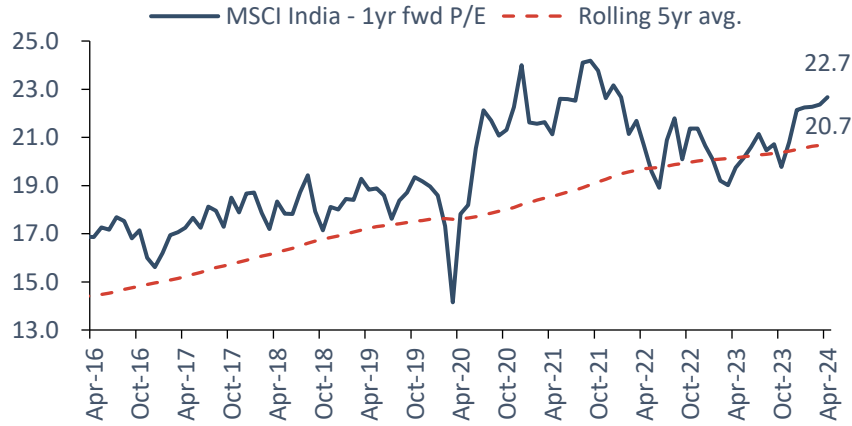
2021 Energy Consumption per Capita(GJ)



Meeting Incremental Energy Demands through Renewables

Source: CEIC, Morgan Stanley Research forecasts

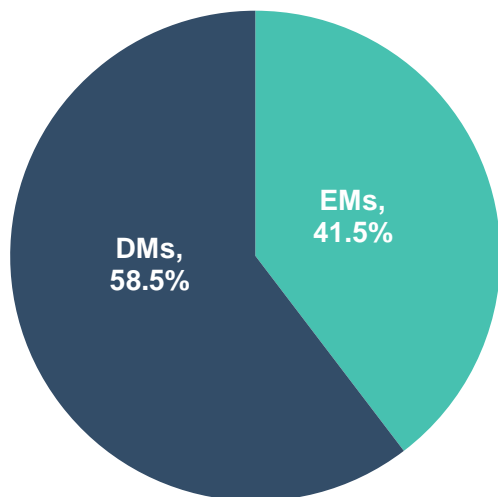
# India Valuations:



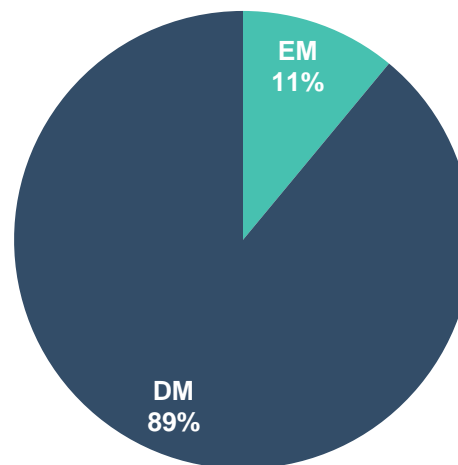
Source: Bloomberg, Ambit research 30th Apr'24.

# EMs under-represented in Global Equities compared to Global GDP

Global GDP Weights

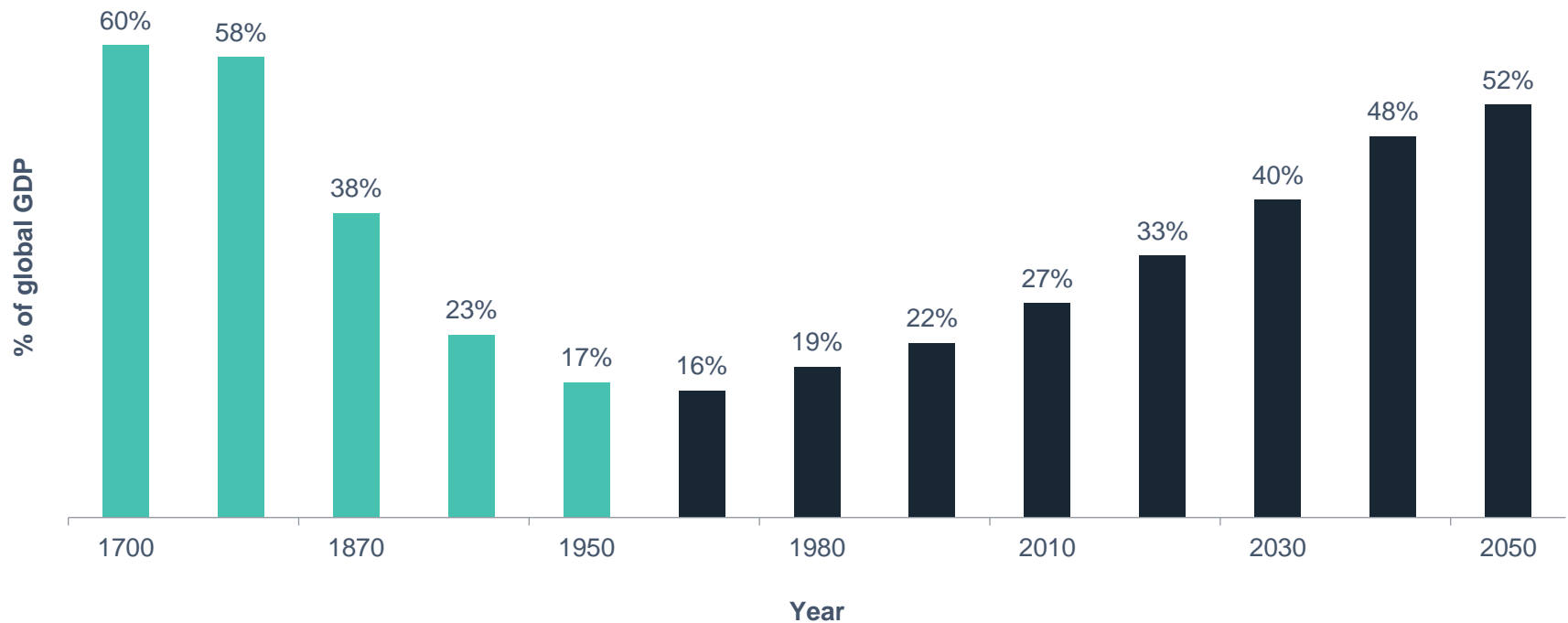


Global Equity Weights



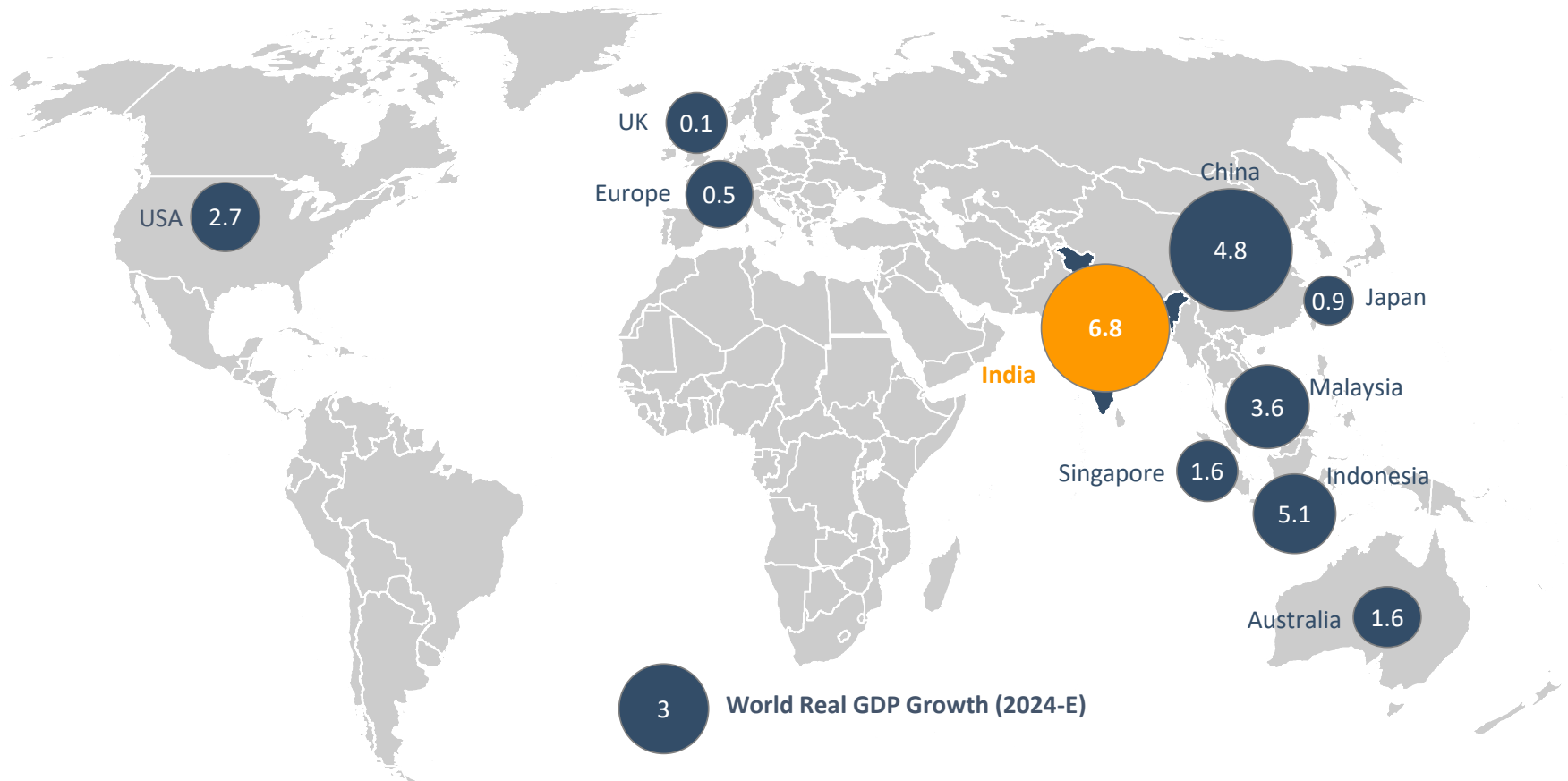
Source: IMF, World Economic Outlook Database, Morgan Stanley Research, April 2024; \* EM refers to emerging markets and developing economies as per IMF

# Asia's Share in World GDP is steadily rising



Source: ADB, Morgan Stanley Research

# India – Among the fastest growing large economies in the world\*

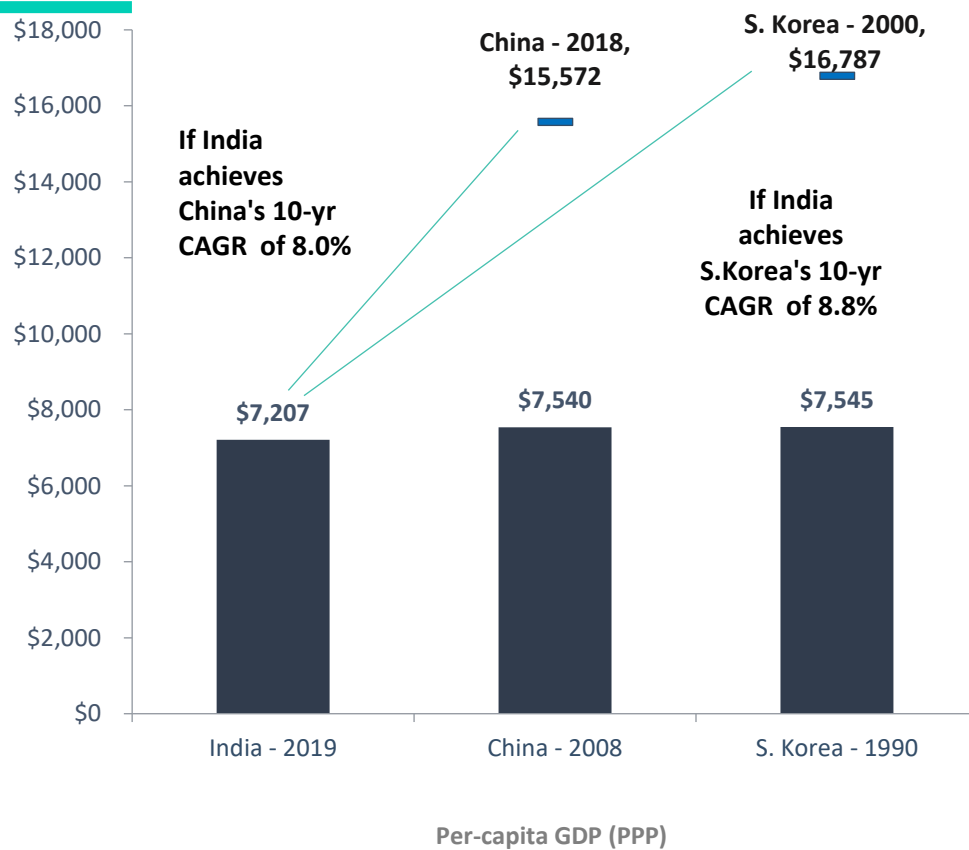


	ACWI World	US	Europe	Japan	UK	China	India	Brazil	Australia	MSCI EM
10Y	8.4%	11.9%	4.1%	6.5%	2.3%	0.9%	10.6%	3.1%	4.5%	3.1%
15Y	12.5%	15.9%	9.5%	8.2%	8.5%	4.9%	13.1%	4.7%	10.6%	7.6%
20Y	7.5%	9.2%	5.5%	4.9%	4.5%	6.0%	10.8%	8.0%	7.6%	6.3%

CAGR	10Y	15Y	20Y
USDINR Cross	-2.9%	-3.1%	-3.0%

Source: Morgan Stanley Research, as of 30 April, 2024. \* Large economy refers to economies above US\$ 1.5 trillion in GDP.

# Is sustained 9 - 10% nominal GDP growth for a large economy even possible?



## 4 key themes which we believe will play out for India going forward

- 1 Penetration of Financial Services
- 2 Consumption story fast forwarded by Digitization
- 3 Infrastructure boom
- 4 Export Opportunities

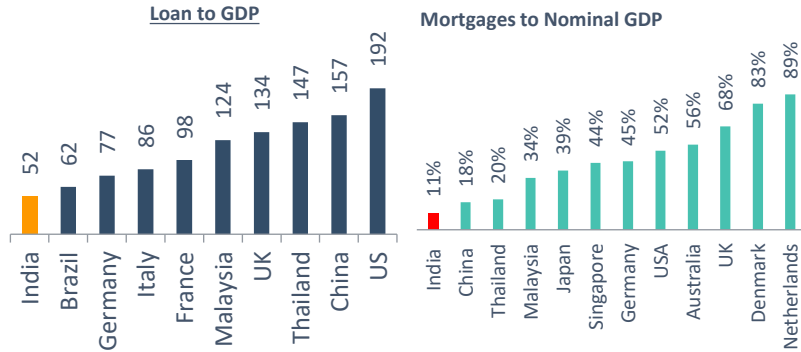
- China/South Korea grew per capita GDP at 8.0% / 8.8%, respectively, for 10 years from levels similar to India's US\$7,207 PPP adjusted 2018 per capita GDP.
- To convert to nominal GDP growth, we factor 1.5% population growth (assumed).
- **So 9 to 10% nominal GDP growth is certainly possible, over a 10 year period or longer.**

Source: Goldman Sachs Global investment Research

# India: Structural, not tactical

## 1 Banking, Insurance, Loans, mortgages, mutual funds all underpenetrated

Population	1,380 mn	MF Accounts	120.2 mn
Bank Accounts	1,571 mn	Demat Accounts	77.2 mn



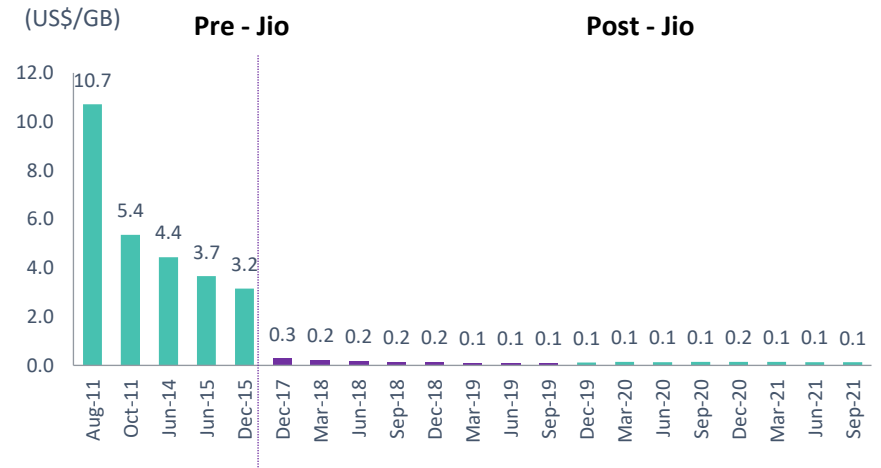
## 3 Tremendous runway for infrastructure growth

- HIGHWAYS** – only 2.3% of network, 64.5% of traffic
- PORTS** - ~224 ports versus China's ~2400 as of CY20
- AIRPORTS** - ~137 airports versus China's ~241 as of CY20
- RAILWAYS** - freight: 23.6 kmph; passengers: 50 kmph
- POWER** – 25% T&D losses
- HOUSING** – affordable housing schemes targeting 29mn households by 2022, across rural and urban areas

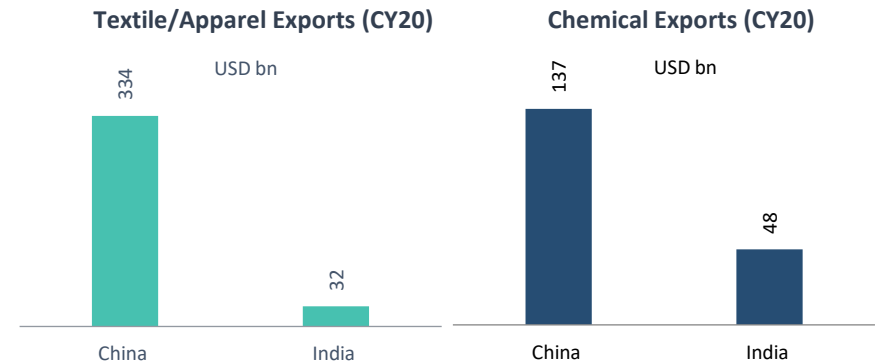
Source – Spark Capital Research,

**DSP**

## 2 Falling data costs boosting consumption



## 4 Export opportunities in Textiles and Chemicals



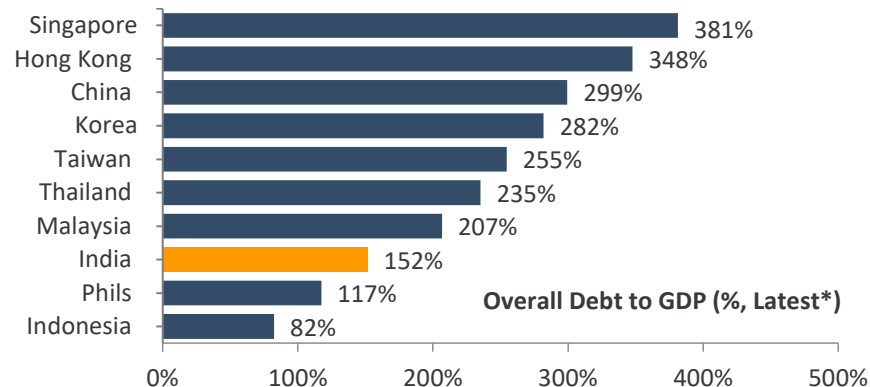
'LEVER': Perfectly fits the 'Make in India' theme (Labour rates, Exchange rates, Value Chain, Energy Cost, Raw-material)

Environmental norms, Good chemistry knowledge, Cost of operations (labor), De-risking by global customers

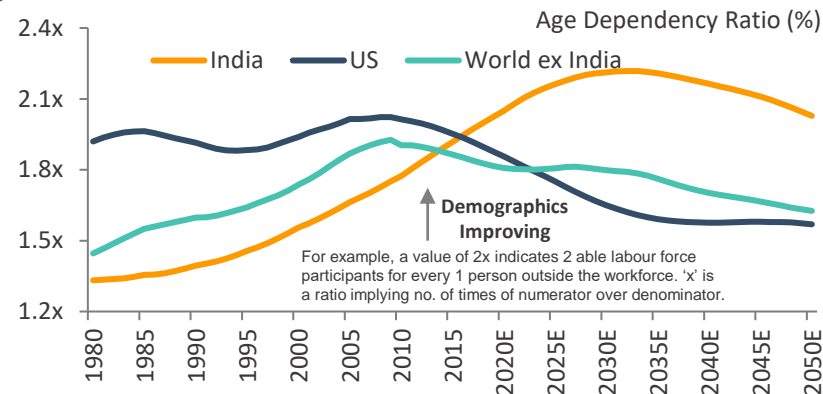


# India Well Positioned on 3Ds: Debt, Demographics and Deflation

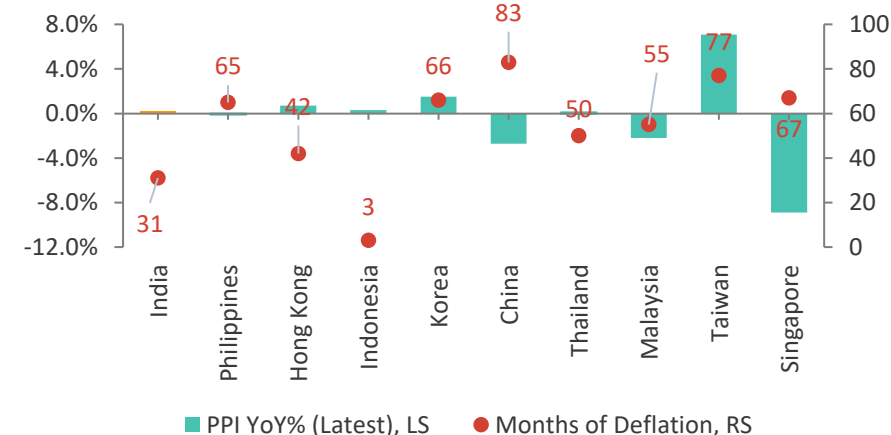
## 1 Debt: 7 out of 10 AXJ Countries Have Debt Above 200% of GDP



## 2 Demographics: Working age population improving in India



## 3 Deflation: India well placed combo of PPI & prior deflation



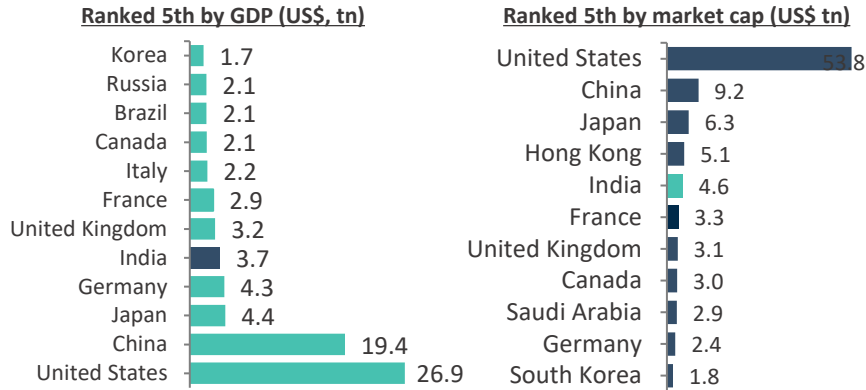
## 4 5 Key Reforms to Push Capex Higher

- **Reduction in corporate tax** to bring at par with Asian countries and **abolition of retrospective taxation.**
- **Factor market reforms** to ensure ease of doing business.
- **Production Linked Incentive (PLI)** schemes to develop indigenous manufacturing capabilities.
- Launch of National Infrastructure Pipeline, Gati Shakti, National Asset Monetisation Plan and Development Finance Institution to give a fillip **to infrastructure development.**
- **Revision of MSME definition** to encourage MSMEs to grow in size while creating an enabling environment to foster innovation & investment.

Source: Morgan Stanley (Panels 1,2 and 3), DSPIM (Panel 4).. There is no guarantee that any forecast make will come to pass. For Panel 1, \*Data as of 1Q23. For Panel 3, \*Latest as of Jul-19 for Malaysia, Sep-19 Philippines, Feb-20 for Thailand, Jun-20 for Indonesia and Dec-23 for others.

# Why should one consider a direct India exposure? (i.e. not via EM)

## 1 India expected to be 3rd largest economy in ten years



## 2 Low representation in global indices

**MSCI All Country World Index**

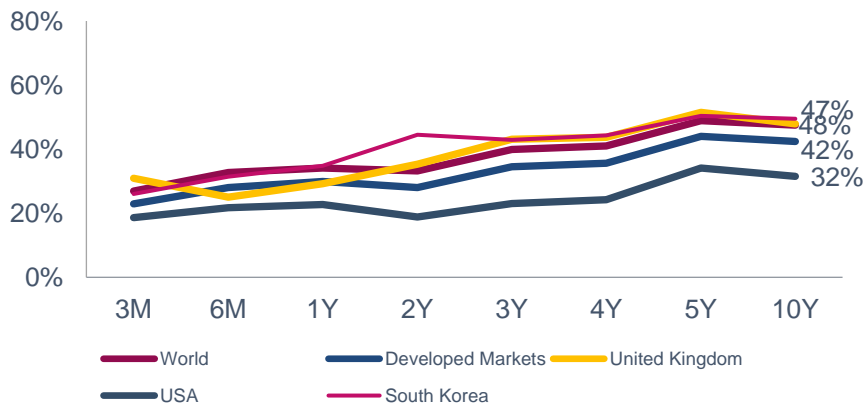
Country	Holding
USA	63.4%
Japan	5.5%
UK	3.6%
France	2.8%
Canada	2.7%
Germany	2.0%
India	1.8%
South Korea	1.2%
Others	16.9%

**MSCI Emerging Markets Index**

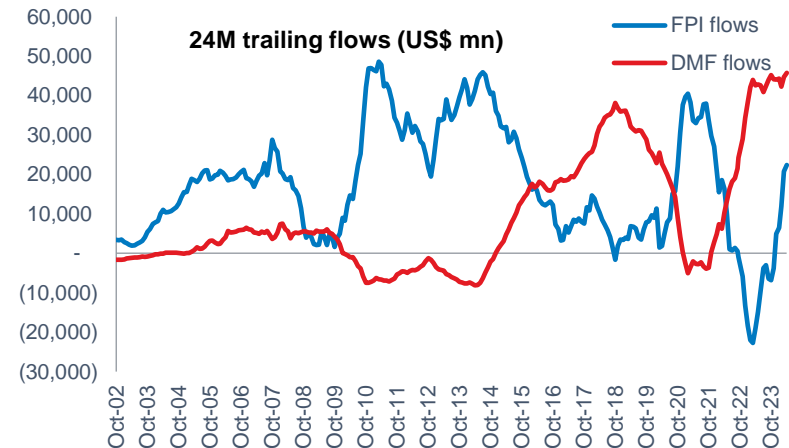
Country	Holding
China	27.4%
India	17.8%
Taiwan	16.9%
South Korea	11.9%
Others	8.9%
Brazil	5.0%

India is only 1.5% of MSCI ACWI, but contributes ~3% to world GDP and market-cap.

## 3 Low correlation of India with global markets



## 4 Domestic flows outpacing foreign flows



Source: Morgan Stanley, as on 3 May 2024 (World – MSCI All Country World Index, DM – MSCI The World index; USA – MSCI USA; UK- MSCI United Kingdom). MSCI India index data based on total returns with dividend reinvestment. It is not possible to invest directly in an index. For Panel 4, FPI is Foreign Portfolio Investors registered with Securities and Exchange Board of India (SEBI), DMF is Domestic Mutual Funds.

# India - Well-diversified across sectors

MSCI Sectors	India	China	Korea	Taiwan	Hong Kong	Singapore	Malaysia	Indonesia	Australia
Energy	11%	4%	1%	0%	0%	0%	1%	4%	5%
Materials	8%	3%	6%	3%	0%	0%	8%	9%	22%
Industrials	9%	5%	13%	2%	14%	13%	8%	5%	5%
Consumer Discr	13%	30%	9%	1%	5%	2%	5%	3%	6%
Consumer Staples	8%	5%	2%	1%	2%	2%	12%	8%	4%
Financials	25%	16%	10%	12%	48%	53%	39%	60%	35%
Health Care	5%	4%	6%	0%	0%	0%	3%	2%	10%
Information Technology	11%	6%	48%	76%	0%	0%	2%	0%	2%
Communication Services	3%	22%	5%	2%	1%	17%	8%	9%	2%
Utilities	5%	3%	0%	0%	10%	2%	14%	0%	2%
Real Estate	1%	2%	0%	0%	20%	12%	0%	0%	6%
<b>Top 2 Sector Weights</b>	<b>38.1%</b>	<b>52.0%</b>	<b>60.8%</b>	<b>88.9%</b>	<b>67.4%</b>	<b>69.7%</b>	<b>53.2%</b>	<b>69.2%</b>	<b>57.6%</b>

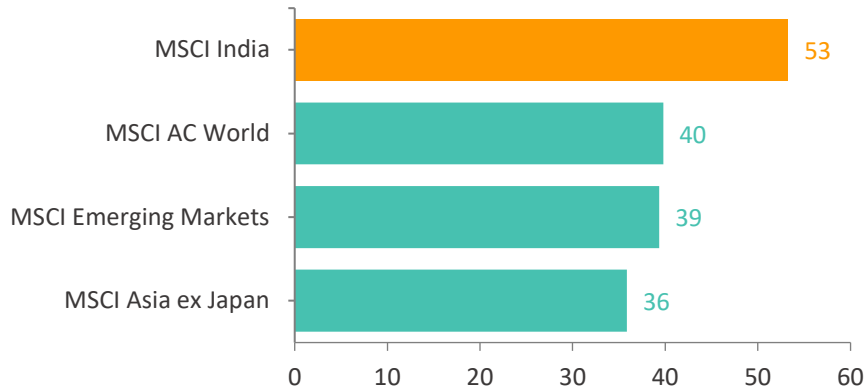
India is well diversified across sectors

As on 3 May 2024 | Source: Morgan Stanley. Based on MSCI Indices

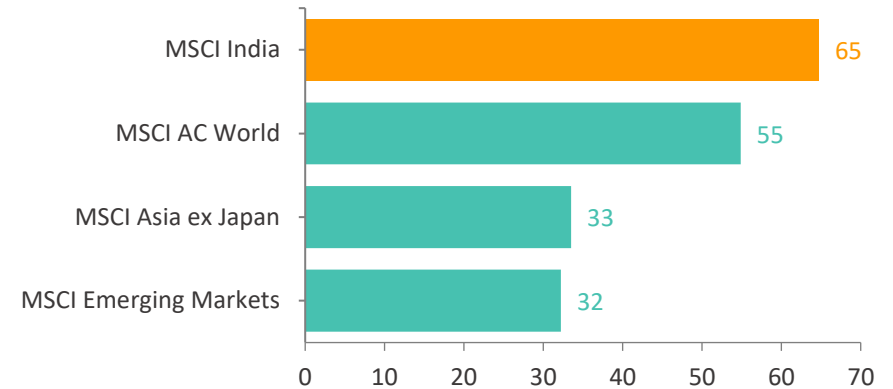
Indices are unmanaged and used for illustrative purposes only and are not intended to be indicative of any fund's performance. It is not possible to invest directly in an index. Past performance is not a reliable indicator of future results

# Indian companies are competitively placed with respect to the world

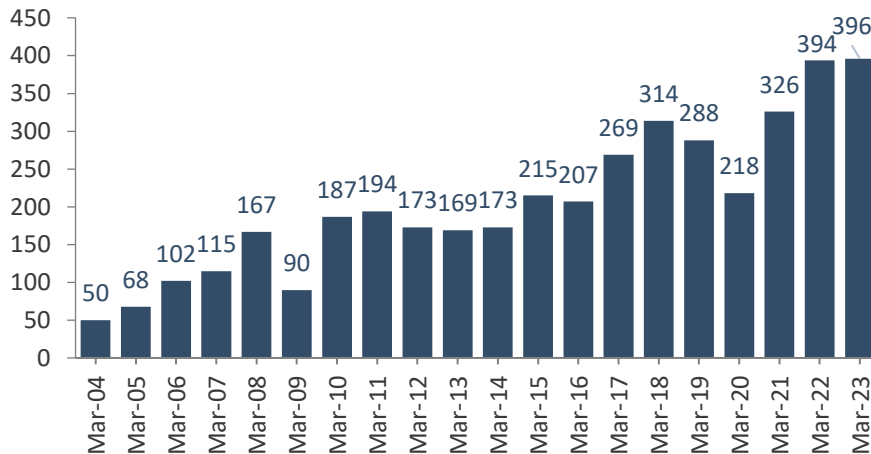
% of companies with ROE > 15%



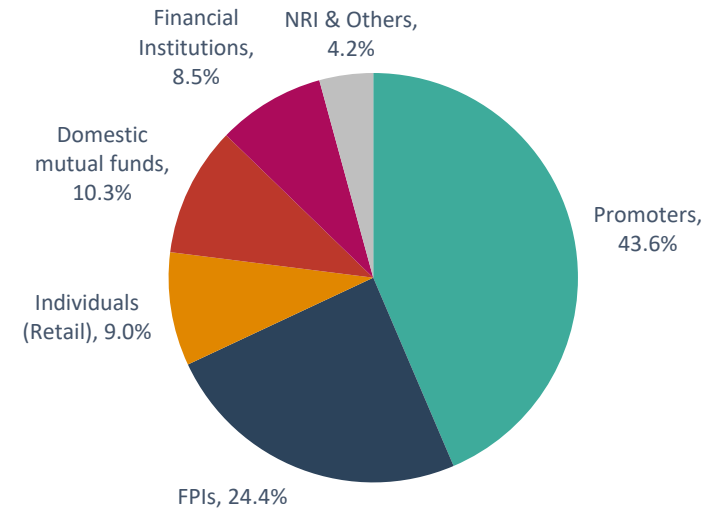
% of companies with mcap > US\$ 10bn



No. of billion dollar companies in India, in terms of market-cap



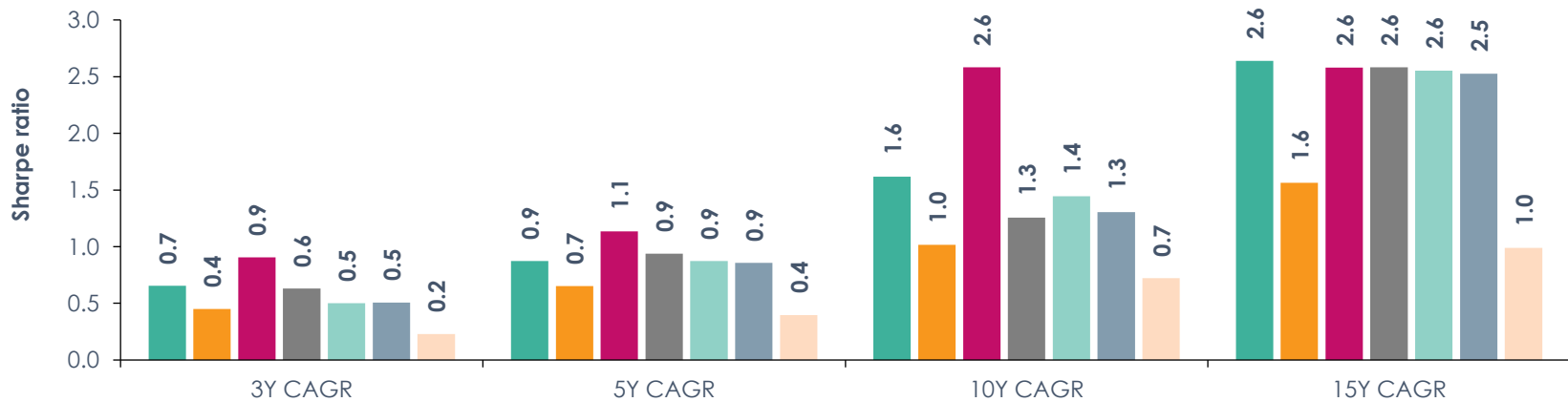
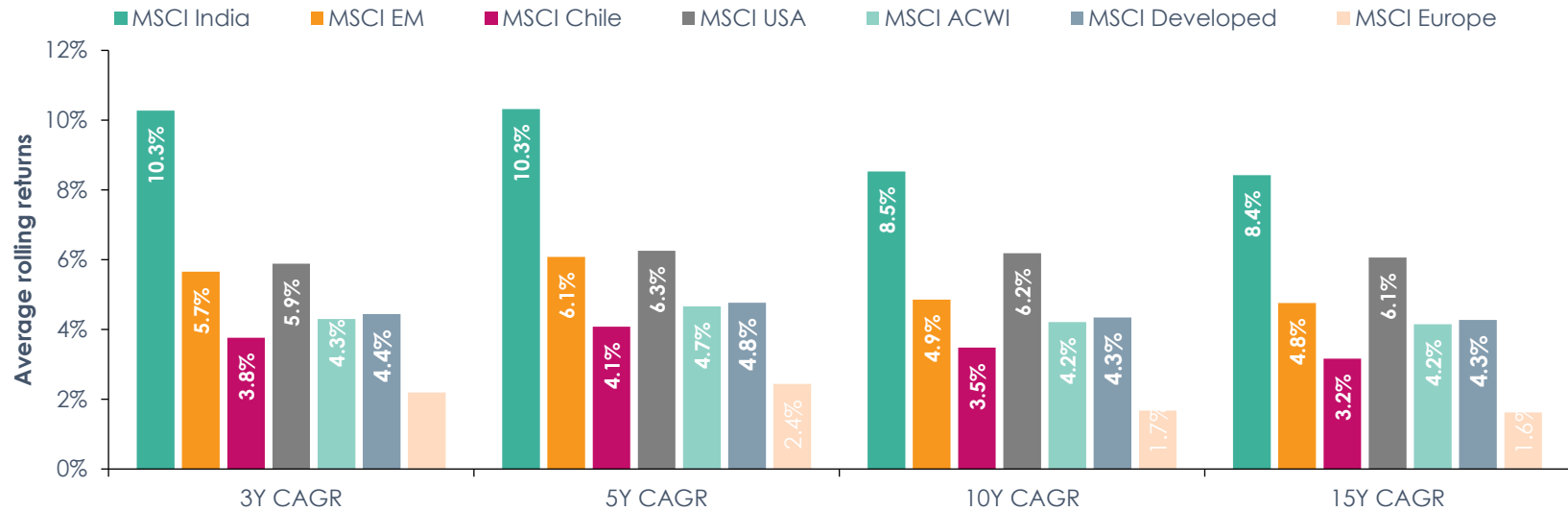
Ownership (Top – 75 Companies)



Source: \*Morgan Stanley Research, Mar 2024

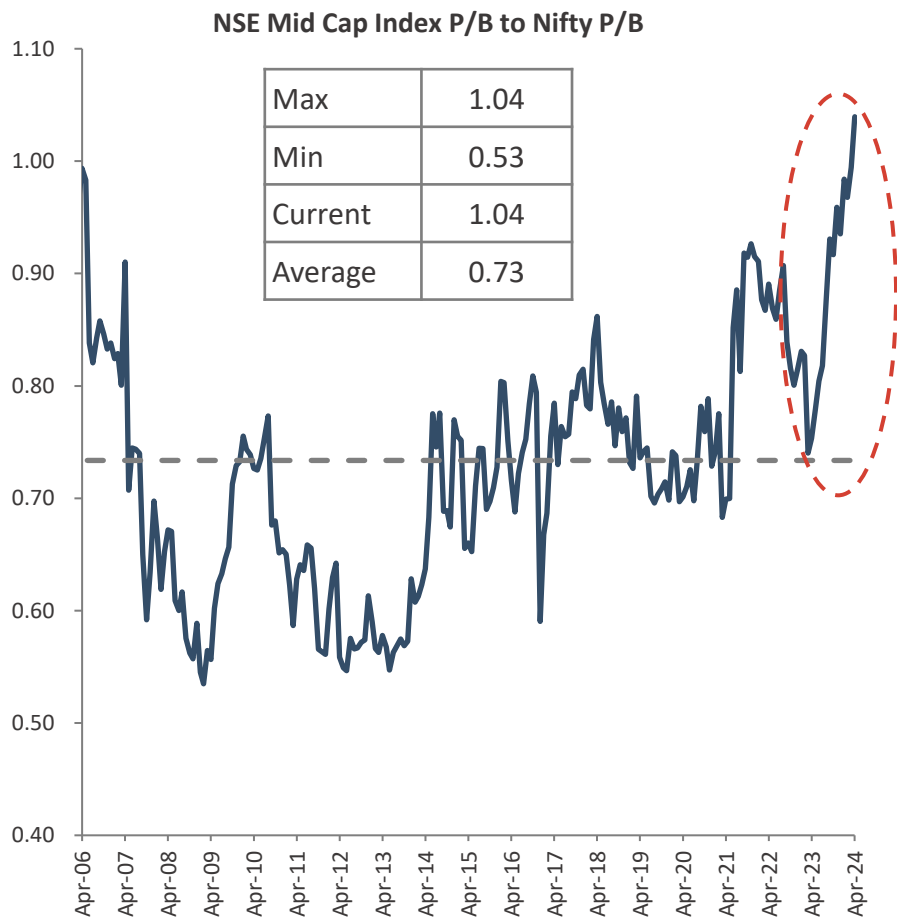
Promoter group holding has decreased from **54% in 2007 to 44% in 2023**

# Active managers in India have consistently outperformed passive



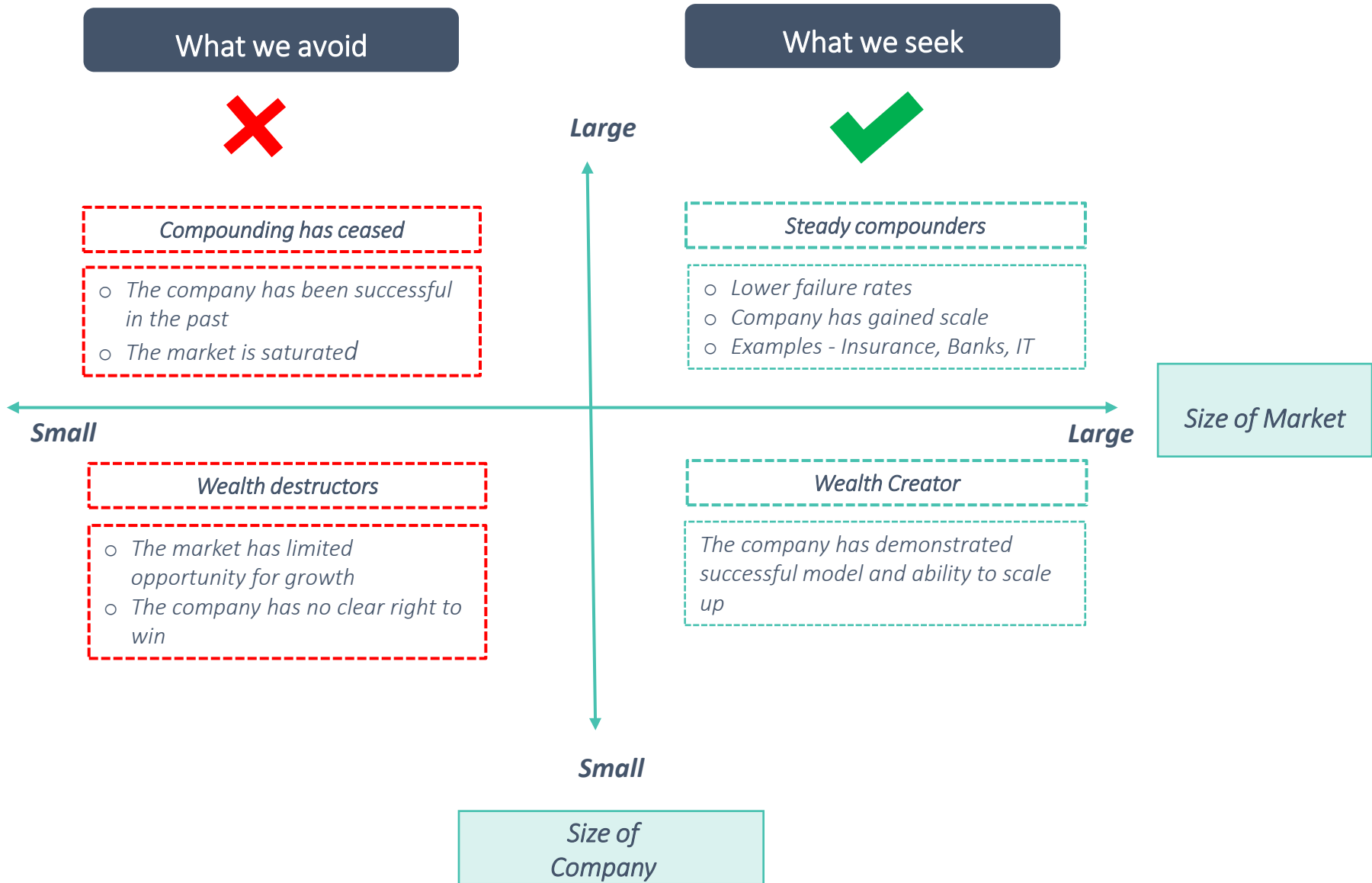
Note: We have analyzed all mutual funds classified as "Mid Cap" & "Multi Cap" as per SEBI for this analysis, with rolling annualized weighted average returns as per respective fund AUM. Sharpe ratio has been calculated as the average of rolling 3/5/10/15 year returns divided by the standard deviation of all 3/5/10/15 year returns respectively. Mutual funds with less than 3 year AUM history have been excluded from this analysis. All returns are calculated in USD terms. Latest data as of 30<sup>th</sup> Apr'24.

# Small and Mid Cap Valuation Differential



Source: Bloomberg , Ambit research 30th Apr'2024.

# Business Model – Identifying large opportunities



# Business Model - Competitive advantages (Moats) are what we looking for....

Company may not be able to create value and fend off competition if it does not have moats in spite of large opportunities. Key sources of competitive advantages that we look for include

Intangibles	Cost Structure	Network Effect	Switching costs
Brands/Patents and Regulations*	Lower cost of production which stem from process, location, scale or access to unique assets.	The value of a product increases for both new and existing customers as new customers join the network	Cost (time, hassle, capital or risk) that customer would incur from one producer or service provider to the other
Eicher	SBI Life	CONCOR	Infosys

**Not All Moats are equally valuable** Most businesses have no moats (our default assumption for evaluating any new company) or have legacy moats i.e. no ability to reinvest in the business. We look for companies which have either large reinvestment opportunity or capital light businesses which do not need significant capital to grow



# Business Model - Quality of business

---

- ▶ Facets of quality are
  - **Capital Intensity** – Amount of capital which can be reinvested in the business
  - **Capital Efficiency** – Returns generated on capital employed (*Superiority of ROCE*)
- ▶ Simple businesses (with optionality of complementary extensions) with growing market shares
- ▶ Quality of the business is displayed through its ability to generate superior (spread over the cost of capital), consistent, predictable and durable ROCE.
- ▶ ROCE along with growth defines the magnitude of value created by the business
- ▶ Size of the opportunity determines capital reinvestment which in turns drives growth
- ▶ Cashflows (not earnings) defines the true character of business
- ▶ Both quality of business and management are indispensable.
- ▶ ROCE of the business is function of the character of business where as ROE of business is function of Business + Management.

# Management – Alignment of interest with shareholders

## Capital allocation

- ▶ Ability to know where to allocate capital (and where to deny it)
- ▶ Remain focussed on few areas of competence
- ▶ Investing in areas with similar or higher ROCE

## Capital Distribution

- ▶ The capital to be distributed back to share holders in excess of
  - Funding future growth
  - Funding on acquisition
  - Building contingencies

## Other Facets

- ▶ Integrity and passion
- ▶ Stakeholder relationship – with not only shareholders, but also employee, vendors, customers
- ▶ Governance standards
- ▶ Past Track record of the management

**Key traits of competent management = Capital Allocation + Capital Distribution**

# Valuation - Price Value Gap (*way we think about valuation*)

---

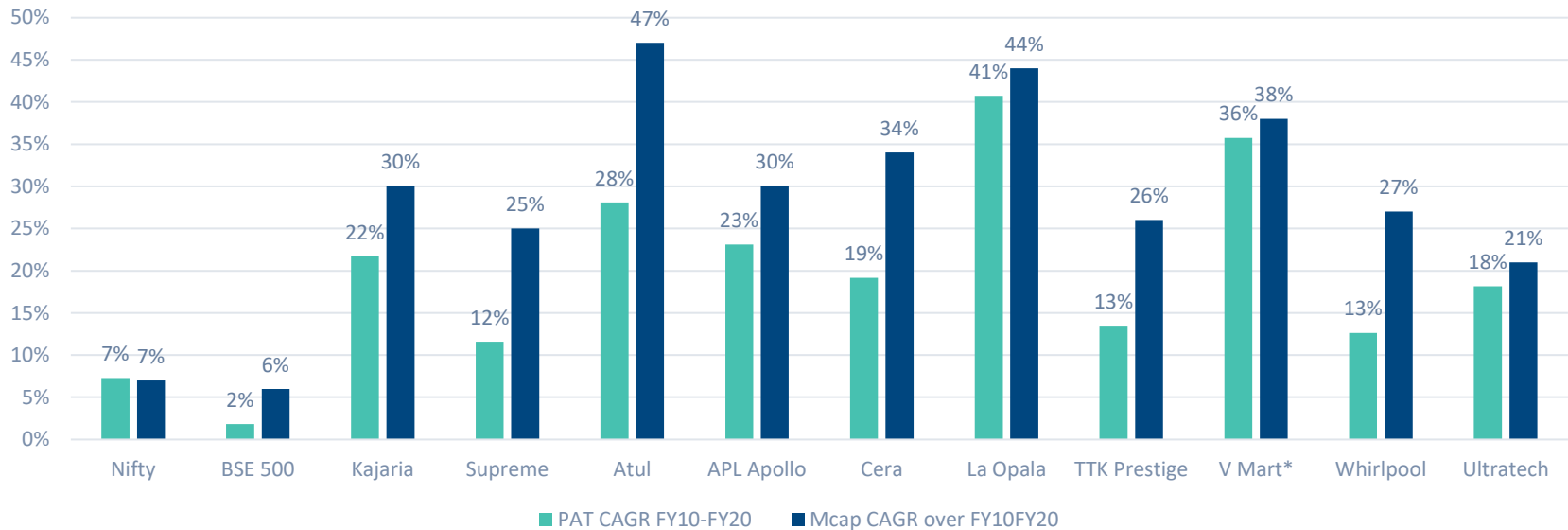
- ▶ **Margin of Safety** : We scout for Margins of safety = Gap between Intrinsic Value and Price
- ▶ **Stock returns generally mirrors the earnings growth** (unless the stock is incorrectly priced to begin with).
- ▶ **Focus on entry multiples**: We focus on the entry multiples which we pay for the businesses. If entry multiples are chosen properly , we can be assured of **stock returns = earnings growth**.
- ▶ **Re-rating is not our base case**: The stock re-rating can be significant driver of overall returns as the market changes its perception on the stock – “Re-rating” however is not our base case for valuation
- ▶ **Business cycle critical to judge value**: Companies in early or mid-cycle can cover up for moderately higher valuation; Late cycle companies with excessive valuations are untenable.
- ▶ **Stocks held for momentum**: We may not be comfortable in buying companies which are in late cycle and excessively valued, however there will be stage were our core holding get significantly “re-rated”. These are then shifted from “Core portfolio bucket” to “held for momentum tactical bucket” and are sold as the momentum starts to fade.

**Stock Returns can be derived as = Earnings Growth x Valuation multiple Change**

---

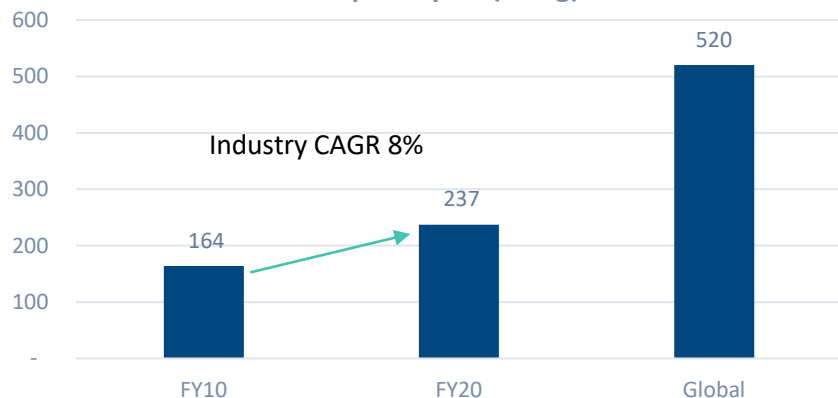
# Earnings resilient for category leaders

- ▶ Leaders of under penetrated category witnessed strong earnings growth between FY10-FY20
- ▶ Earnings decoupled with economy
- ▶ Thus, Category leaders has showcased wealth creation over long period of time

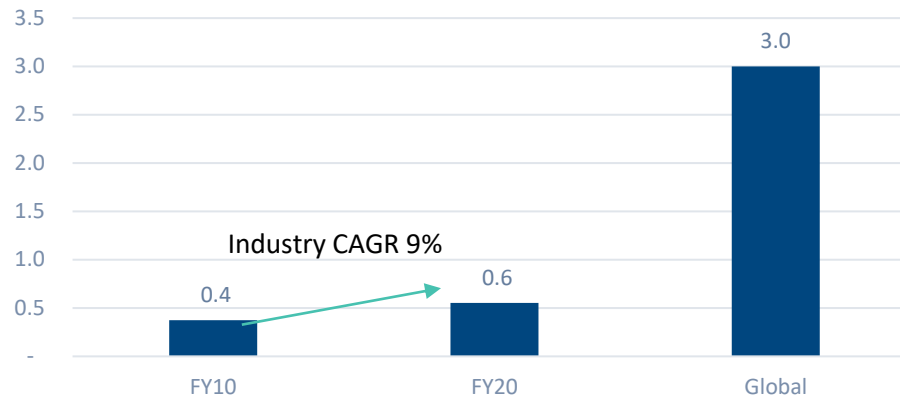


# Per capita trending upwards- Still long way to go vs global peers

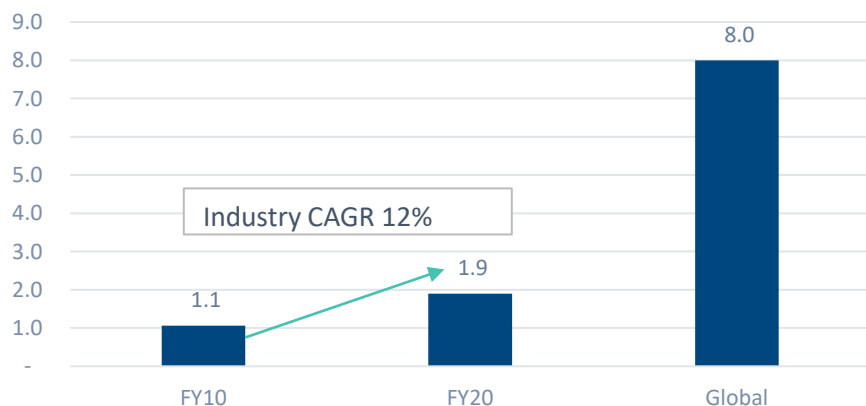
### Cement per capita ( in kg)



### Tiles per capita (in sq metre)



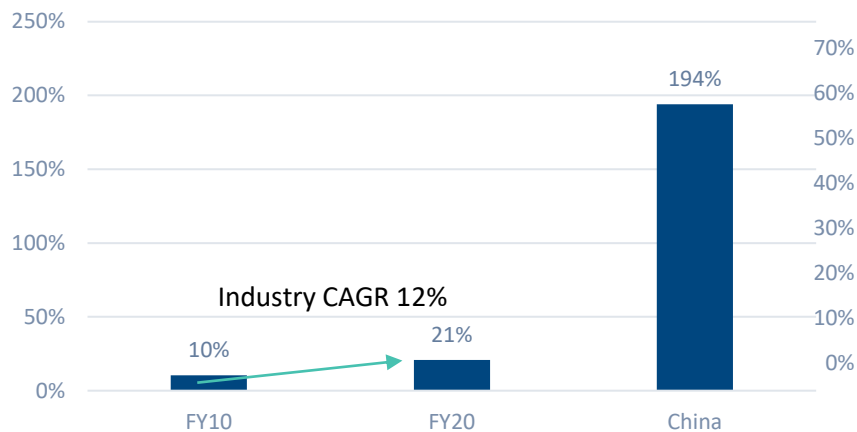
### PVC Pipes per capita ( in kg)



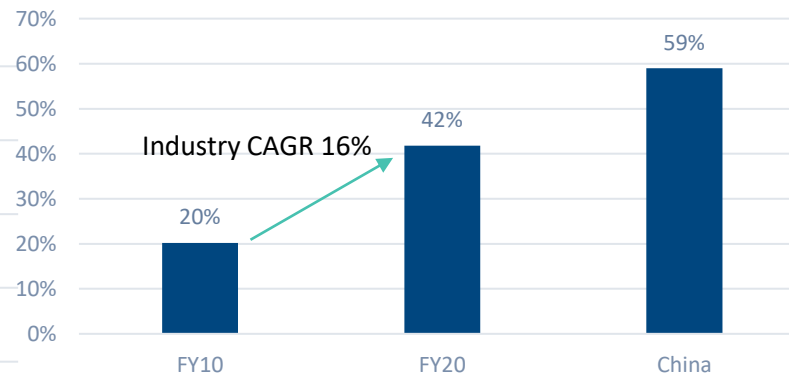
- ▶ Per capita increased across categories in last decade
- ▶ Healthy industry growth driven by increase in per capita despite sluggish economy.
- ▶ Categories still underpenetrated w.r.t to global peers augurs well for long term growth

# Growth in consumer durable led by higher penetration

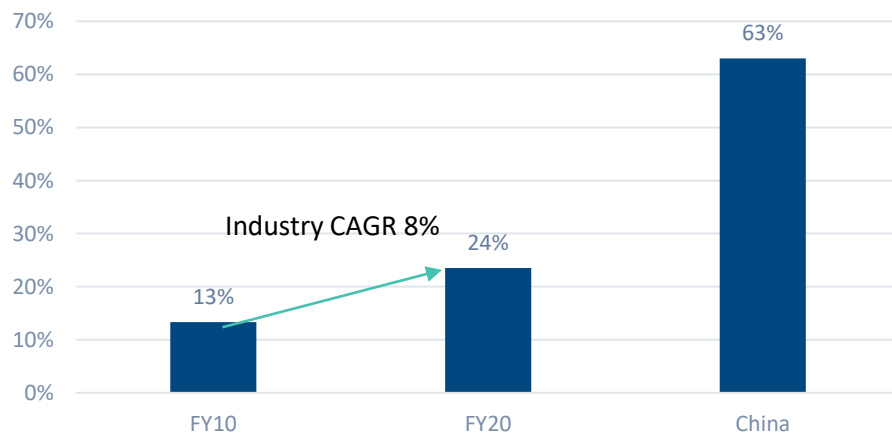
## Air condition penetration



## Refrigerator penetration



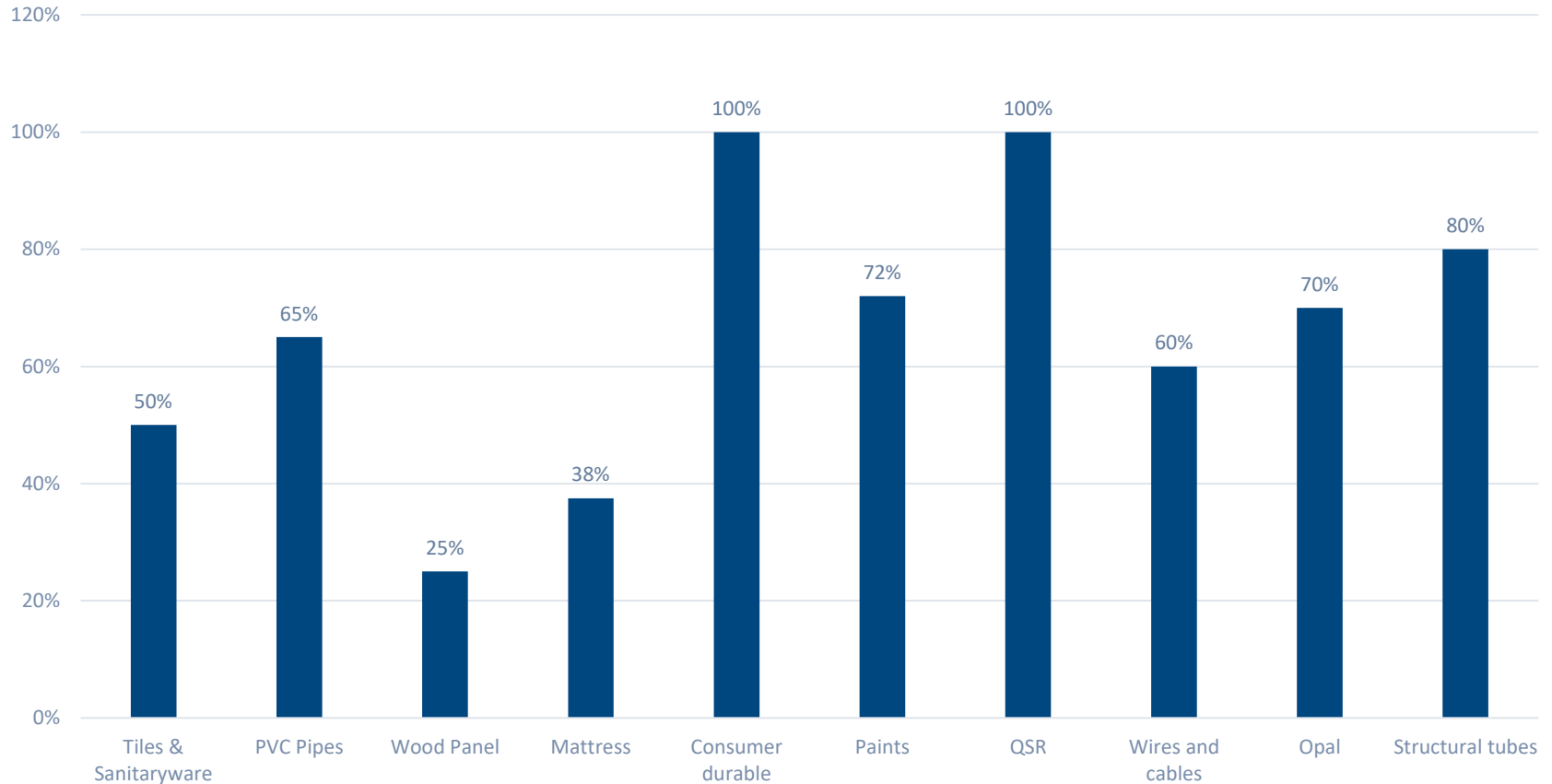
## Washing Machine



- ▶ Penetration levels in consumer durable increased structurally in last decade
- ▶ Ease of financing , availability of electricity contributed to increase in penetration
- ▶ Under penetration compared to global peers to drive long term growth
- ▶ Selecting right categories is important. eg. Refrigerator grew at 16% while Washing machine grew at 8%

# Shift to organized segment creates opportunity

Market share organised (%)



# Case Study 1: Bharat Forge

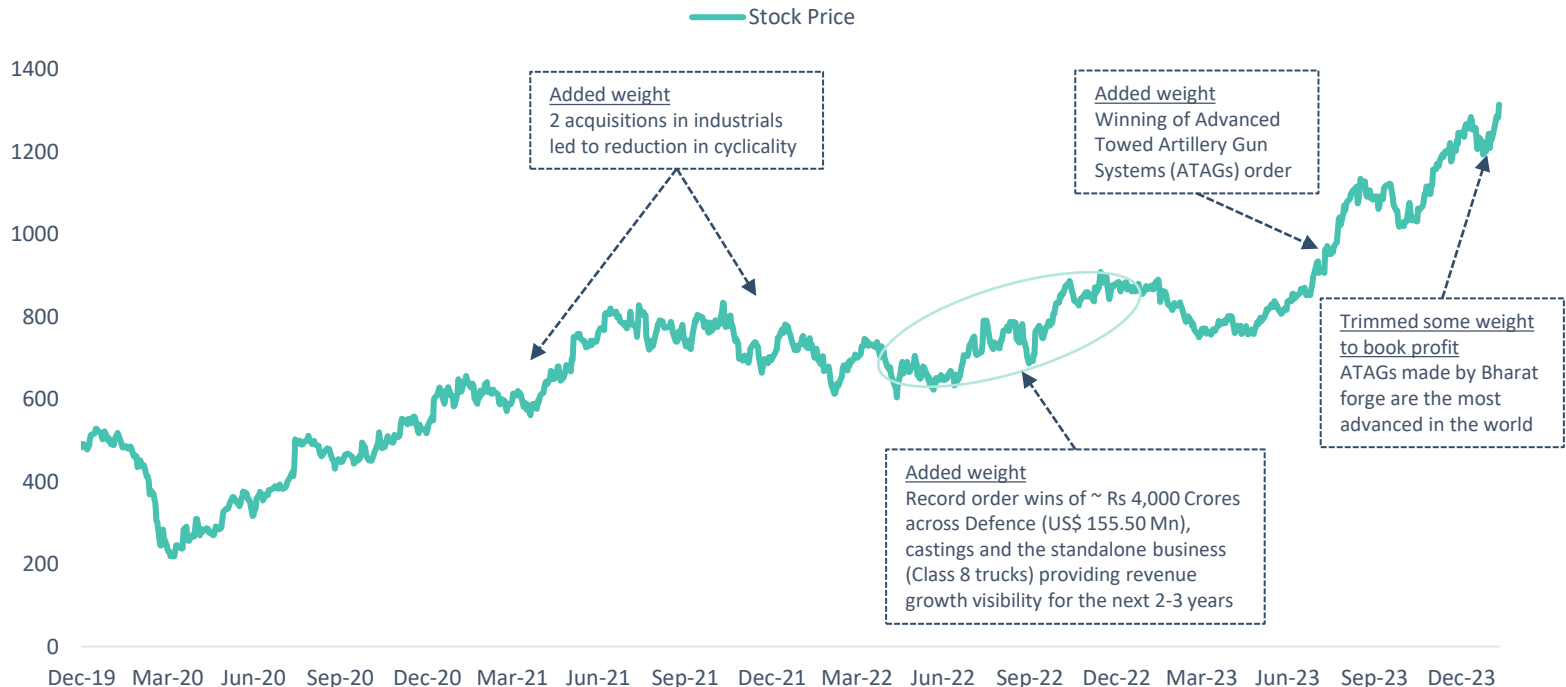
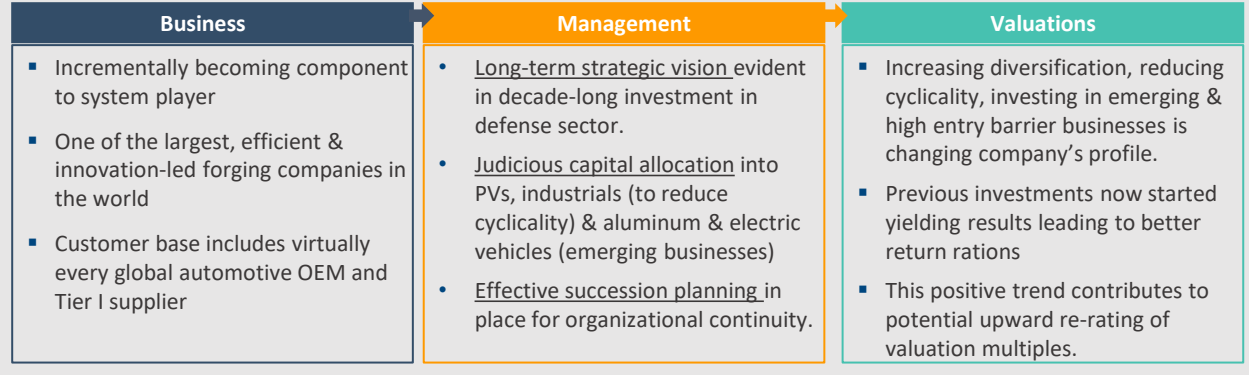
1

## Idea generation

- a. Growing revenue from non-CV business (39% in FY08 to 59% in FY23) reducing cyclicality
- b. Capex in high gestation defense & aerospace business finally showing revenue visibility (~7% revenue share in FY23)

2

## In depth company analysis





# Case Study 2: Alkem Laboratories

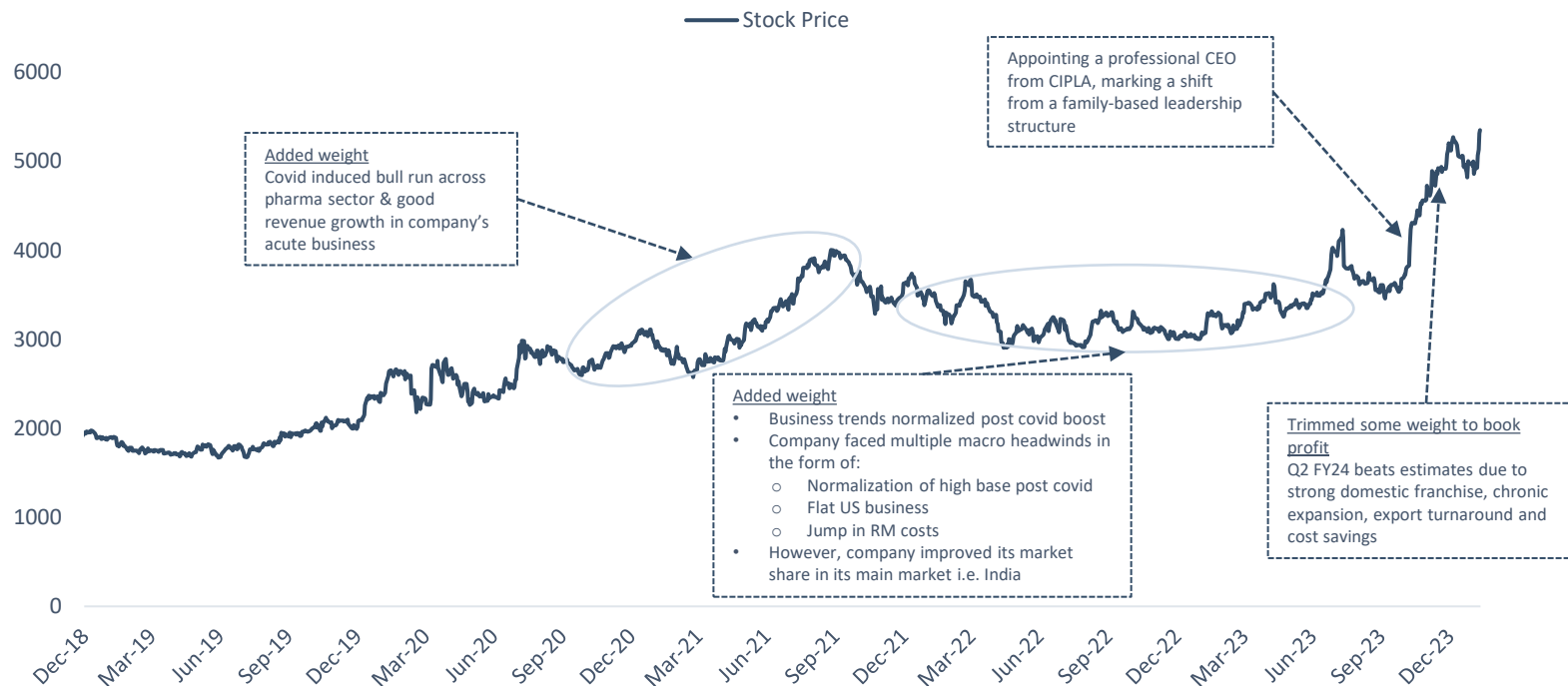
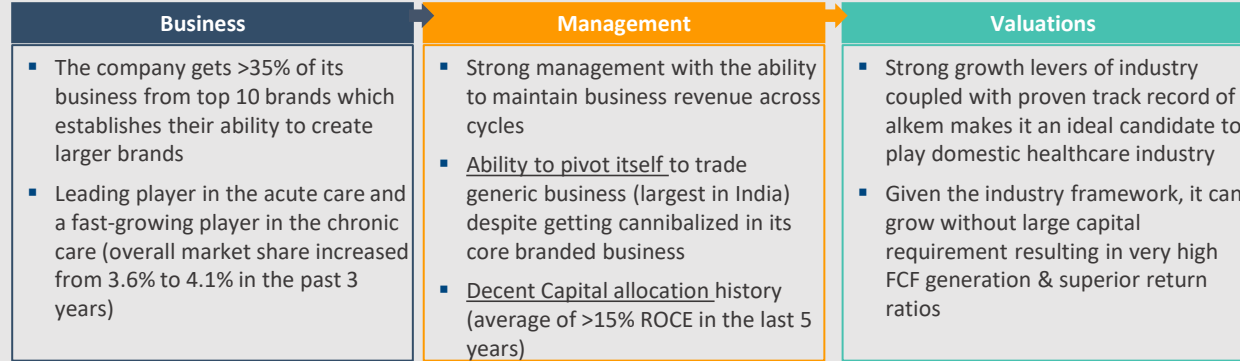
1

## Idea generation

- a. Growth Levers for the pharma sector: Lower per capita consumption, ageing population to increase, rising awareness of healthcare, increasing lifestyle related diseases & increasing insurance penetration
- b. Lower revenue mix of chronic growing at a faster pace
- c. Significant FCF generation

2

## In depth company analysis



# Case Study 3: Phoenix Mills

1

## Idea generation

- a. Phoenix provides relevant real estate space for brands with much higher footfalls. Most of the malls are at prominent destination in key cities
- b. Higher real estate cost & large size land parcel within the city makes it a higher entry barrier business
- c. Per capita grade A malls are significantly lower in India, which provides very high growth visibility in coming years
- d. With rising urban population, rising income levels & aspirations, demand for quality real estate for retail will remain high
- e. Strong unit economics

2

## In depth company analysis



# Case Study 4: Supreme Industries

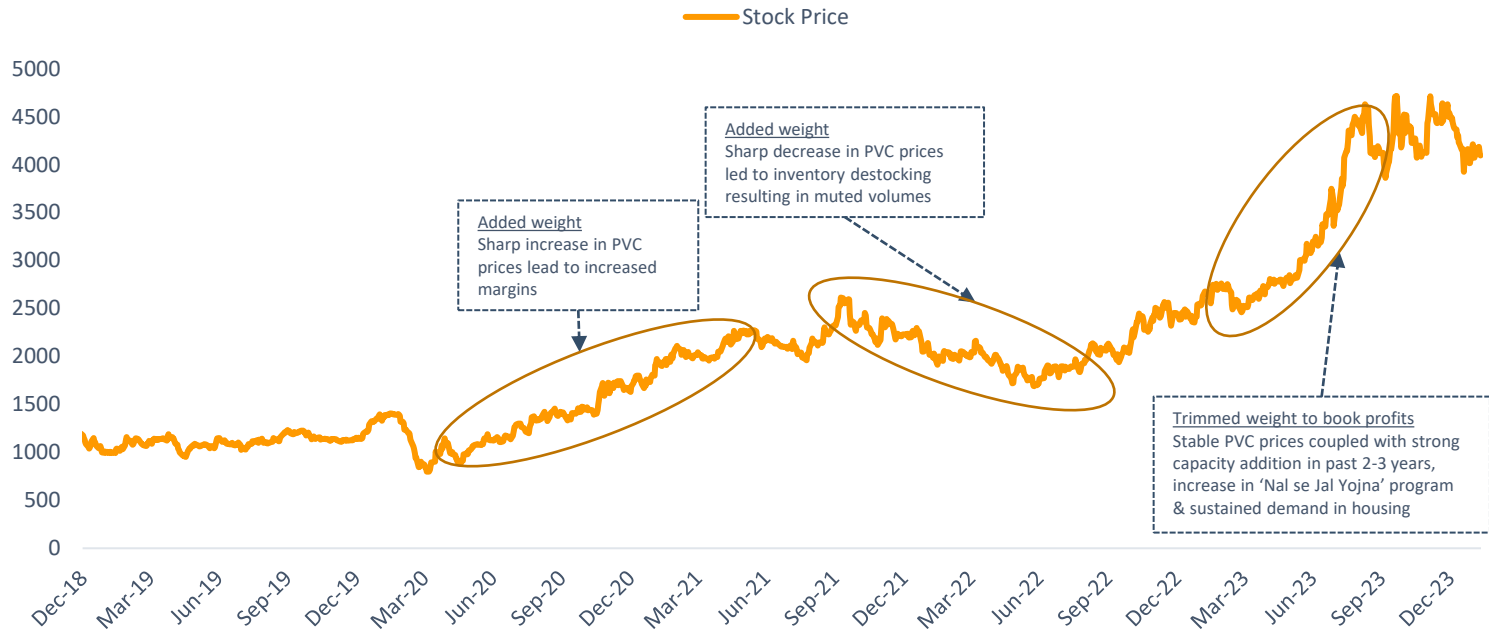
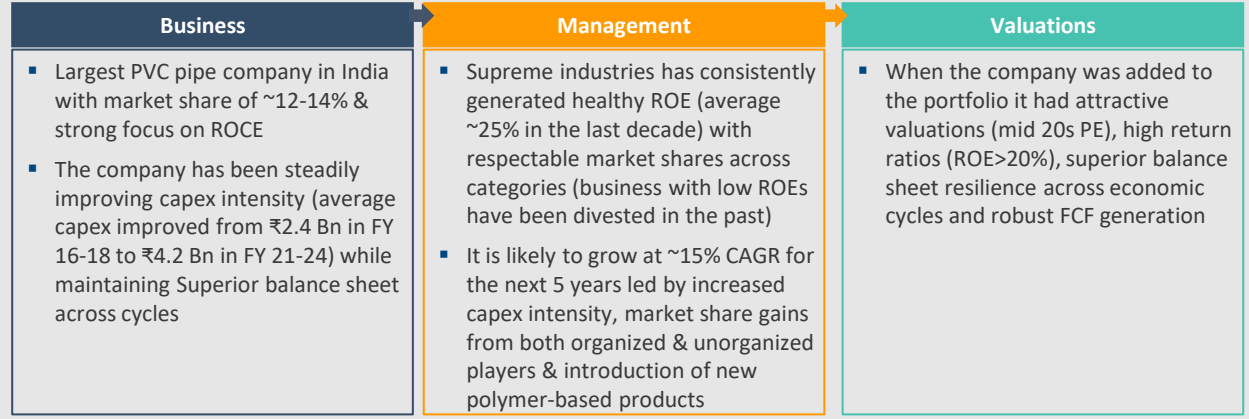
1

## Idea generation

- a. Per-capita PVC pipe consumption significantly lower than even world average (11kg vs 30 kg), this demand is set to increase led by high Infra spends, Nal se Jal yojna & sustained demand in housing
- b. PVC pipe industry is very consolidated with the top 5 players contributing ~40% of market share reflected in the strong pricing power
- c. Growth prospects of Pipe industry to be high due to improving completion rate of real estate projects and revival in demand for agri-pipes

2

## In depth company analysis



## Composite BM Performance (Since Dec 2000)

Average Daily Rolling Return	3Y	5Y	7Y	10Y
MSCI India Index	13.6%	12.0%	10.4%	9.4%
Nifty Midcap 150 Index	11.9%	10.8%	10.8%	11.6%

Return / Risk (Rolling basis)	3Y	5Y	7Y	10Y
MSCI India Index	0.89	0.98	1.30	1.75
Nifty Midcap 150 Index	0.97	1.50	2.34	2.74

Source: Bloomberg. Data from Dec 2000 to Apr 2024. Past performance is not a reliable indicator of future results. Large & mid cap active composite consists of stocks with total market cap rank between from 1 to 100. Small Cap active composite consists of stocks with total market cap rank between from 101 to 250. All figures in USD

## Benchmark Performance, as of months ending

	31/03/2023 to 31/03/2024	31/03/2022 to 31/03/2023	31/03/2021 to 31/03/2022	31/03/2020 to 31/03/2021	29/03/2019 to 31/03/2020
MSCI India Index	34.40%	-6.95%	16.98%	50.44%	-20.15%
Nifty Midcap 150 Index	56.18%	0.35%	20.06%	81.14%	-23.31%
DSP Strategy	42.61%	-6.91%	8.34%	55.27%	-13.49%
MSCI ACWI Index	15.51%	0.20%	-6.86%	43.47%	-6.80%
MSCI USA Index	21.44%	0.21%	-2.93%	46.08%	-0.94%
MSCI Europe Index	4.51%	8.94%	-8.77%	39.89%	-16.06%
MSCI Japan Index	16.90%	3.08%	-16.01%	28.28%	-4.96%
MSCI UK Index	2.77%	4.26%	0.92%	28.09%	-24.25%
MSCI China Index	-9.01%	-7.82%	-37.05%	34.60%	-4.04%
MSCI Brazil Index	10.24%	-13.27%	-7.18%	43.11%	-40.11%
MSCI Russia Index	0.00%	-10.00%	-100.00%	22.58%	-13.96%
MSCI EM Index	7.05%	-9.21%	-20.14%	45.70%	-14.30%
MSCI Developed Index	16.55%	1.44%	-4.87%	43.16%	-5.78%

Source: Bloomberg, Internal. All returns in USD terms, as of 30th Apr'2024. The DSP Strategy has been implemented since 14 Nov 2006 through certain products managed by DSP Investment Managers Pvt. Ltd., which are not available for investment in any jurisdiction except for India. India Focused UCITS refers to a composite of all funds that invest into India via the UCITS platform. The custom 20:80 Index is an index weighted as 20% MSCI India Index and 80% MSCI India Small Cap Index. Large & mid cap active composite consists of funds falling in the large cap category as defined by the Indian regulator SEBI – Securities and Exchange Board of India. Small cap active composite consists of funds falling in the mid cap category as defined by the Indian regulator SEBI. For further details on MSCI and SEBI categories, please refer to the slide in the Appendix titled 'Market-cap Classification: SEBI versus MSCI'.

# Disclaimer

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 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 Dec 2023 (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. **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 (“SPDJI”) and BSE, and has been licensed for use by DSP Asset 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.

Each CRISIL Index (including, for the avoidance of doubt, its values and constituents) is the sole property of CRISIL Limited (CRISIL). No CRISIL Index may be copied, retransmitted or redistributed in any manner. While CRISIL uses reasonable care in computing the CRISIL Indices and bases its calculation on data that it considers reliable, CRISIL does not warrant that any CRISIL Index is error free, complete, adequate or without faults. Anyone accessing and/or using any part of the CRISIL Indices does so subject to the condition that : (a) CRISIL is not responsible for any errors, omissions or faults with respect to any CRISIL Index or for the results obtained from the use of any CRISIL Index; (b) CRISIL does not accept any liability (and expressly excludes all liability) arising from or relating to their use of any part of CRISIL Indices

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.

## Disclaimer for UAE (not applicable to the Dubai International Financial Centre and the Abu Dhabi Global Markets)

---

The offering of the international shares has not been approved or licensed by the UAE Central Bank, the UAE Securities and Commodities Authority (SCA) or any other relevant licensing authorities in the UAE, and accordingly does not constitute a public offer of securities in the UAE in accordance with the Commercial Companies Law, Federal Law No. 2 of 2015 (as amended), SCA Resolution No. 3 R.M. of 2017 Concerning the Organization of Promotion and Introduction or otherwise. Accordingly, the international shares may not be offered to the public in the UAE.

This presentation is strictly private and confidential and is being issued to a limited number of investors:

- (a) who fall within with the exceptions set out in SCA Resolutions No. 3 R.M. of 2017 (Qualified Investors, excluding natural persons) and have confirmed the same;
- (b) upon their request and confirmation that they understand that the international shares have not been approved or licensed by or registered with the SCA, or any other relevant licensing authorities or governmental agencies in the UAE; and
- (c) must not be provided to any person other than the original recipient, and may not be reproduced or used for any other purpose.

# Disclaimer for Chile

---

This private offering of securities is addressed only to 'Qualified Investors' (as defined in CMF General Rule No. 216).

Neither the DSP Global Funds ICAV [Issuer] nor the DSP India Equity Fund [Security] will be registered in the Registro de Valores Extranjeros (Foreign Securities Registry) kept by the Chilean Commission for the Financial Market (Comisión para el Mercado Financiero or "CMF") and will not be subject to the supervision of the CMF. If such securities are offered within Chile, they will be offered and sold only pursuant to General Rule 336 of the CMF, an exemption to the registration requirements, or in circumstances which do not constitute a public offer of securities in Chile within the meaning of article 4 of the Chilean Law No. 18,045 on Securities Market. The commencement date of this offering is the one contained in the cover pages of this [offering memorandum/prospectus]. The issuer has no obligation to deliver public information in Chile. These Security shall not be subject to public offering in Chile unless registered in the Foreign Securities Registry.

La presente oferta de valores está dirigida a Inversionistas Calificados (según se define en la Norma de Carácter General N° 216 de la CMF).

El DSP Global Funds ICAV [EMISOR] y los DSP India Equity Fund [VALORES] no serán registrados en el Registro de Valores Extranjeros de la Comisión para el Mercado Financiero o "CMF" y no están sujetos a la fiscalización de la CMF. Si dichos valores son ofrecidos dentro de Chile, serán ofrecidos y colocados sólo de acuerdo a lo establecido en la Norma de Carácter General 336 de la CMF (una excepción a la obligación de inscripción en el Registro de Valores Extranjeros), o en circunstancias que no constituyan una oferta pública de valores en Chile según lo definido por el Artículo 4 de la Ley 18.045 de Mercado de Valores de Chile. La fecha de inicio de la presente oferta es la indicada en la portada de este [offering memorandum/prospectus]. El [EMISOR] no está obligado a entregar información pública en Chile, incluyendo en relación a los [VALORES]. Los VALORES no podrán ser objeto de oferta pública mientras no sean inscritos en el Registro de Valores Extranjeros de la CMF.



# Disclaimer for Hong Kong

---

## FOR RESIDENTS OF HONG KONG

**WARNING: The contents of this document have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the offer. If you are in any doubt about any of the contents of this document, you should obtain independent professional advice.**

This document does not constitute an offer or invitation to the public in Hong Kong to acquire Shares. Accordingly, no person may issue or have in its possession for the purposes of issue, this document, the ICAV's Prospectus or any advertisement, invitation or document relating to the Shares, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong except where: (i) the Shares are only intended to be offered to "professional investors" (as such term is defined in the Securities and Futures Ordinance of Hong Kong (Cap. 571 of the Laws of Hong Kong), as amended (the "SFO") and the subsidiary legislation made thereunder); (ii) in circumstances which do not result in this document or the ICAV's Prospectus being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance of Hong Kong (Cap. 32 of the Laws of Hong Kong), as amended (the "CO"); or (iii) in circumstances which do not constitute an offer or an invitation to the public for the purposes of the SFO or the CO. The offer of the Shares is personal to the person to whom this document has been delivered and a subscription for Shares will only be accepted from such person. No person to whom a copy of this document is issued may copy, issue or distribute this document in Hong Kong, or make or give a copy of this document to any other person.

DSP



ASSET MANAGERS