

Smart riders adapt to the turns



Every sector includes multiple industries

FINANCIAL SERVICES

Capital Markets
Insurance
NBFCs
Private Banks
Public Banks
AMCs
Exchanges
Fin-Tech



HEALTHCARE

Healthcare Services
Hospitals
Pharma
Diagnostics



INFORMATION TECHNOLOGY

Software
Hardware
IT Services



ENERGY

Oil
Gas
Power



CONSUMER DISCRETIONARY

Entertainment
Household Appliances Paint
Retail
Textiles
Travel & Tourism
Realty



CONSUMER STAPLES

Agriculture
Food & Beverages
Sugar
Cigarettes & Tobacco
Products



Source: NSE, Internal as of Oct 31st 2024. NBFC – Non-Banking Financial Company. AMC – Asset Management Company. The sector(s)/stock(s)/issuer(s) mentioned in this presentation do not constitute any research report/recommendation of the same and the schemes of DSP mutual fund may or may not have any future position in these sector(s)/stock(s)/issuer(s). Above list is shown for illustration purpose only.

And every industry has its own cycles...

(For instance, in the Financial Services Sector, here is how industry rotation played out over the last few years)

Performance of various industries within the Financial Services sector

Apr 2016 – Sep 2017	Nov 2017 – Mar 2019	Apr 2020 – Feb 2021	Mar 2021 – Apr 2022	Nov 2022 – Oct 2023
Life Insurance 90%	Private Bank 32%	Asset Management 148%	General Insurance 46%	Public Bank 45%
Private Bank 55%	General Insurance 11%	General Insurance 100%	Public Bank 21%	Asset Management 27%
Asset Management 52%	Life Insurance 2%	Private Bank 80%	Asset Management 12%	General Insurance 10%
General Insurance 52%	Asset Management -27%	Life Insurance 78%	Private Bank 7%	Life Insurance 10%
Public Bank 20%	Public Bank -35%	Public Bank 73%	Life Insurance 5%	Private Bank 6%

Hence, industry level evaluation becomes necessary to benefit from market cycles

Source: Tijori Finance, Internal. The sector(s)/ stock(s)/ issuer(s) mentioned in this document 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(s). Past performance may or may not be sustained in the future and should not be used as a basis for comparison with other investments.

And every company within the industry has its own cycles...

E.g. within BFSI,
(Nov 17 - Mar 19)

Industry	Returns
Private Bank	32%
Public Bank	-35%
General Insurance	11%
Life Insurance	2%
Asset Management	-27%

Top Performer

Axis Bank	+ 45%
Kotak Mahindra Bank	+ 30%

Top Detractor

Yes Bank	- 14%
IDFC First Bank	- 11%

Leadership shift to
public banks
(Nov 22 – Oct 23)

Industry	Returns
Private Bank	6%
Public Bank	45%
General Insurance	10%
Life Insurance	10%
Asset Management	27%

Top Performer

UCO Bank	+ 171%
Karnataka Bank	+ 138%

Top Detractor

SBI	- 4%
Canara Bank	22%

In addition to identifying the right industries, stock selection matters!



Q. Are you finding it difficult to identify the right sectors?

Q. Do you find yourselves investing too late in a theme?

Q. Do you sometimes feel you have invested way too early in a theme?

Q. Do you find it hard to decide when to book profits on a theme?

Q. Do you incur tax outflows when switching between multiple thematic ideas?

Introducing
**DSP Business
Cycle Fund**

Smart riders adapt to the turns

An open ended equity scheme following
business cycles based investing theme

**How is it trying to
solve those challenges
for you?**



Timing the entry and exits of themes

Since timing them on your own could sometimes lead to errors, the fund does it on your behalf by trying to take significant positions in the right sectors during favorable conditions and try to exit at an appropriate time.



Reinvestment decisions made easy

The fund takes care of redeploying capital after exiting a sector, ensuring all options are evaluated for suitable allocation.



Reduces Tax Outflows

When investors do this on their own using thematic funds or through their direct stock portfolio, the churn between sectors could leave them with potentially higher tax outflows.



Aims to improve compounding

Lower tax outflows mean possibility of uninterrupted compounding because the money is within the same fund.

Investment Framework

Focused on identifying strong industry cycles

Unconstrained by market cap:

Can include companies from large, mid, small, and micro caps.



Sector & Industry evaluation:

After grouping the investment universe into broader sectors, evaluation is done at industry level.



Industry Preference:

Prefers industries near the bottom of the cycle with the potential for improving or strong fundamentals but trading at low valuations compared to benchmark and on an absolute basis.



Forensic Evaluation:

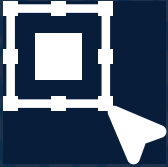
Exclude companies with weak corporate governance with the help of dedicated forensic analysts even if they have strong growth expectations.



Stock Selection:

Identifying stocks from industries which have high growth potential, improving fundamentals & higher potential upside. Such stocks shall be given higher weights.

In a nutshell,



Framework-driven selection of industries & companies with high growth/turnaround potential



Flexibility to aggressively allocate significant weights to industries in an upcycle



Takes cash calls or uses other risk management strategies, if the valuations are excessive and aims to deploy it in equity and equity related securities when suitable opportunities arise.



Suitable for all market phases given its unconstrained nature

**So, who will
be managing
your money?**

Fund Manager: Charanjit Singh

VP & Fund Manager, Capital Goods, Infra, Power Utilities, Consumer Durables

ROLE

- Joined DSP in Sep 2018 to cover Industrials, Utilities, Infrastructure and Consumer Durables sectors

EXPERIENCE

- > 19 years of work experience
- Rated as No. 2 analyst in 2017 Asia Money Polls in Industrials sector
- Consistently voted in top quartile by leading investment managers in previous roles

PREVIOUS ROLES

- B&K securities – Heading Industrials, Utilities, Infrastructure and Consumer Durables sectors
- Axis Capital
- BNP Paribas
- HSBC

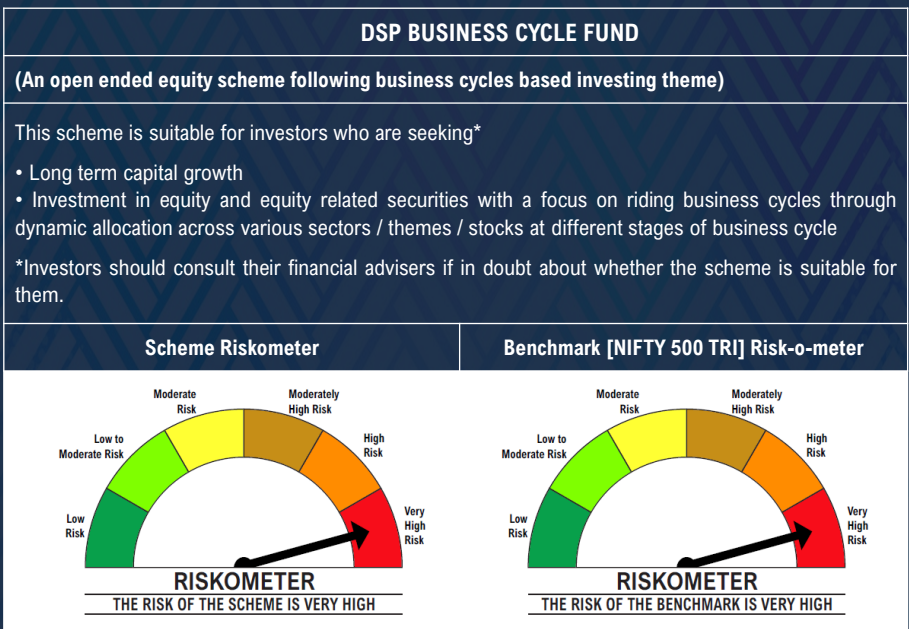
EDUCATION

- MBA in Finance from IIT Madras DOMS
- Electronics and Communication Engineer

FUNDS MANAGED

- DSP India T.I.G.E.R. Fund (The Infrastructure Growth and Economic Reforms Fund)

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Mutual Fund investments are subject to market risks, read all scheme related documents carefully.