

NFO Period

**16th Aug –
30th Aug**

DSP NIFTY TOP 10 EQUAL WEIGHT INDEX FUND*
DSP NIFTY TOP 10 EQUAL WEIGHT ETF*

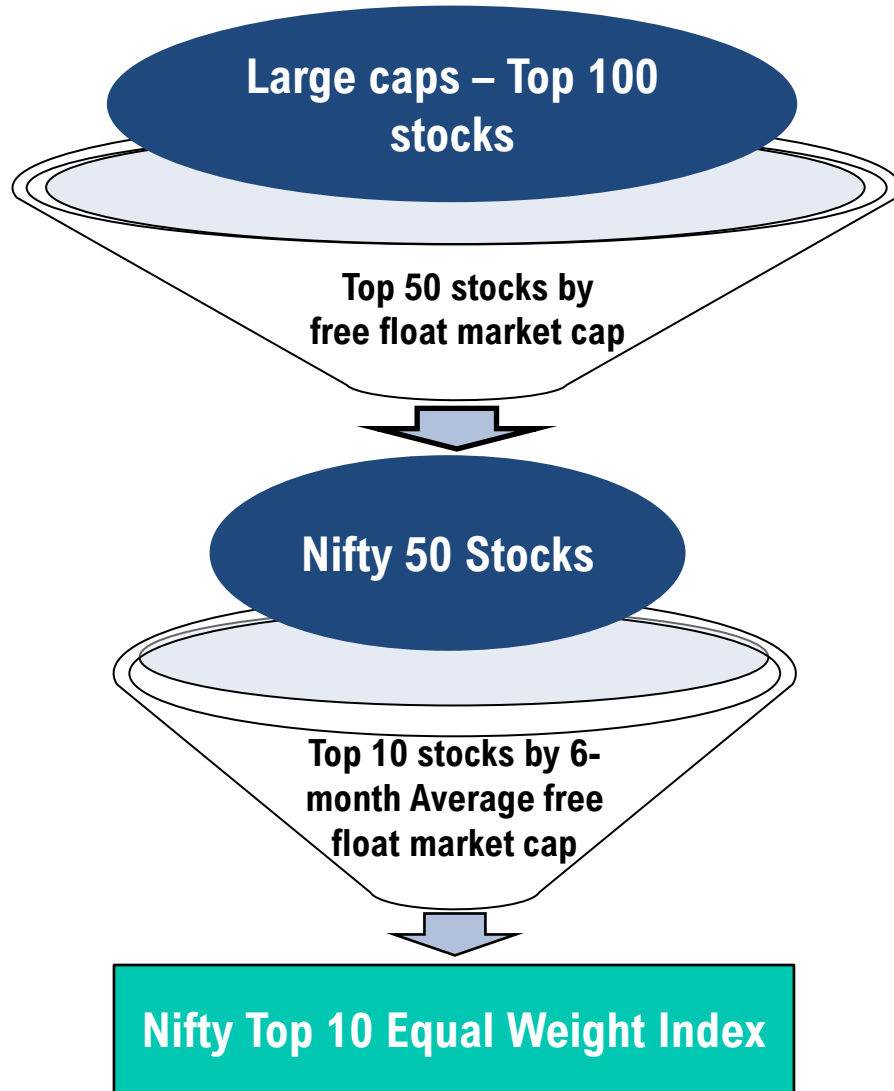
The **LARGEST** of all caps#

*An open ended scheme replicating/ tracking Nifty TOP 10 Equal Weight Index

#Top 10 stocks selected based on 6-month average free-float market capitalization from the Nifty 50

DSP
MUTUAL FUND

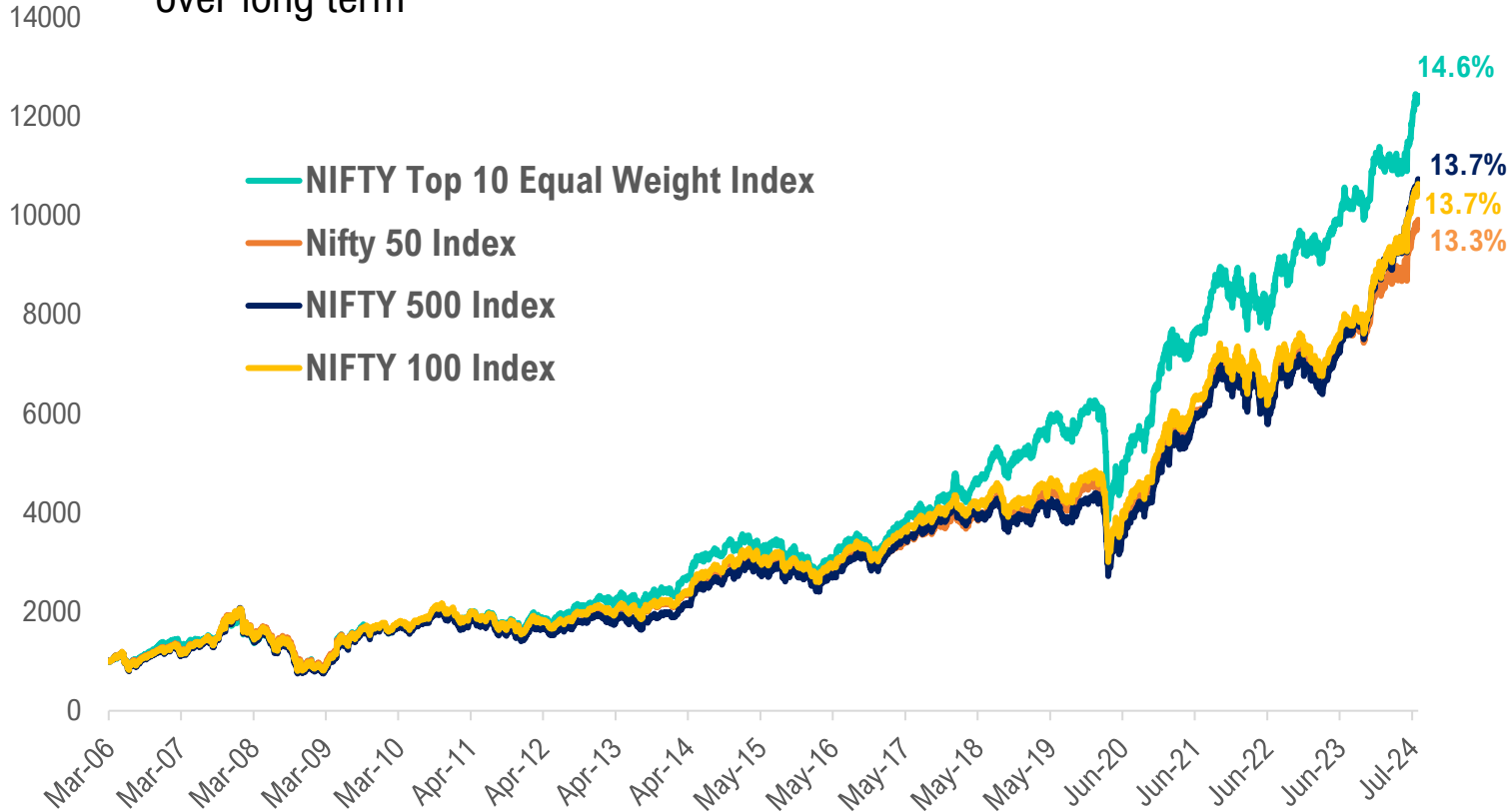
What is Nifty Top 10 Equal Weight Index?



- Each stock in Nifty Top 10 Equal weight index is equally weighted
- The Index is reconstituted semi-annually and rebalanced quarterly
- Stock shall be included if its free-float market capitalization is at least 1.5 times the free-float market capitalization of the smallest index constituent

Top 10 Stocks Have Done Better Than Broader Indices

Nifty Top 10 Equal Weight Index has **outperformed** the broader markets over long term

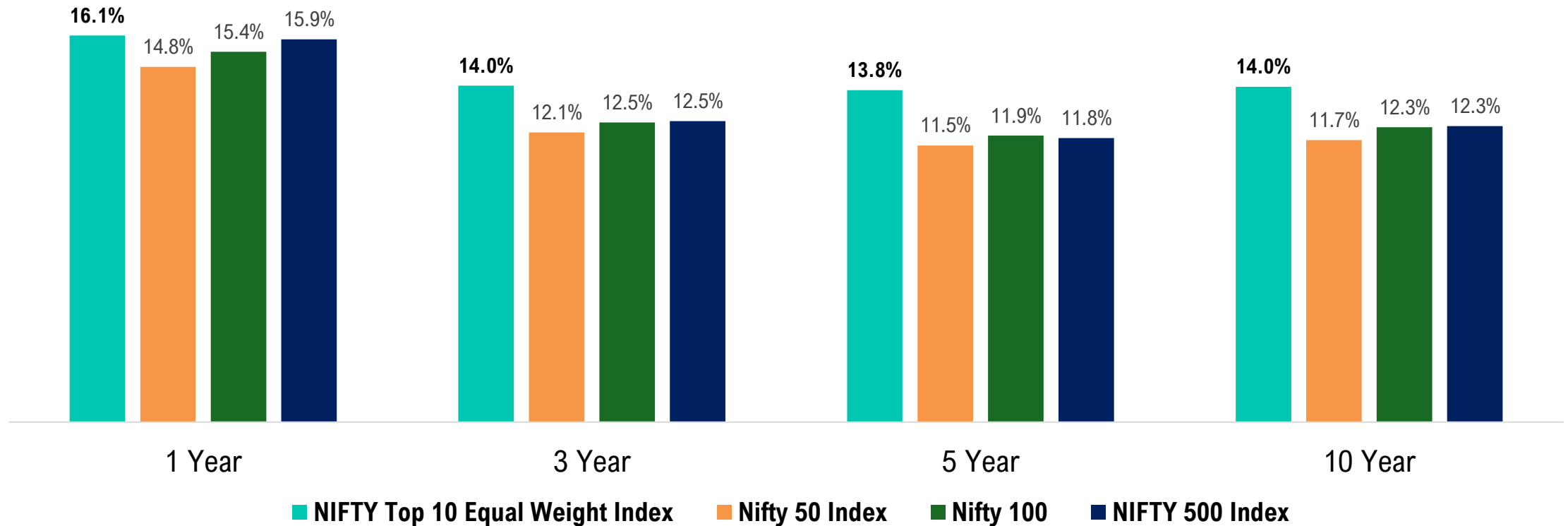


Year	NIFTY Top 10 Equal Weight Index	Nifty 50 Index	NIFTY 100 Index	NIFTY 500 Index
2007	38%	57%	59%	65%
2008	-48%	-51%	-53%	-57%
2009	75%	78%	85%	91%
2010	20%	19%	19%	15%
2011	-21%	-24%	-25%	-26%
2012	34%	29%	33%	33%
2013	13%	8%	8%	5%
2014	35%	33%	35%	39%
2015	-6%	-3%	-1%	0%
2016	6%	4%	5%	5%
2017	33%	30%	33%	38%
2018	19%	5%	3%	-2%
2019	19%	13%	12%	9%
2020	15%	16%	16%	18%
2021	19%	26%	26%	32%
2022	10%	6%	5%	4%
2023	21%	21%	21%	27%
YTD 2024	11%	16%	20%	22%

Nifty Top 10 Equal Weight Index has outperformed broader market in 9 out of 16 years

'Top 10' Tops The Charts Across Horizons

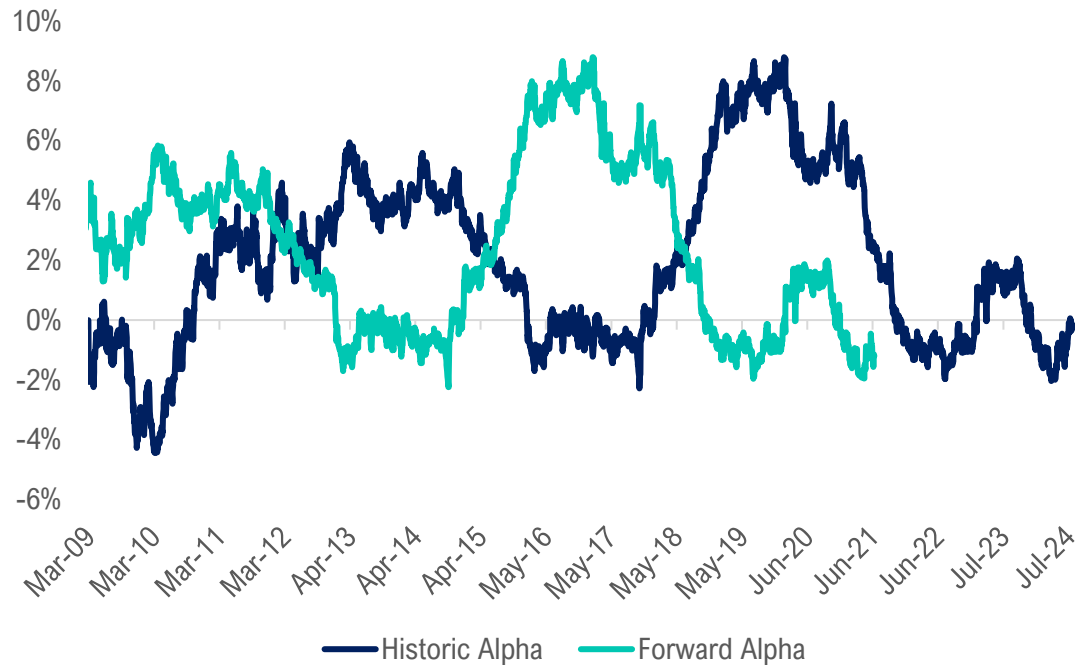
Median Rolling Returns



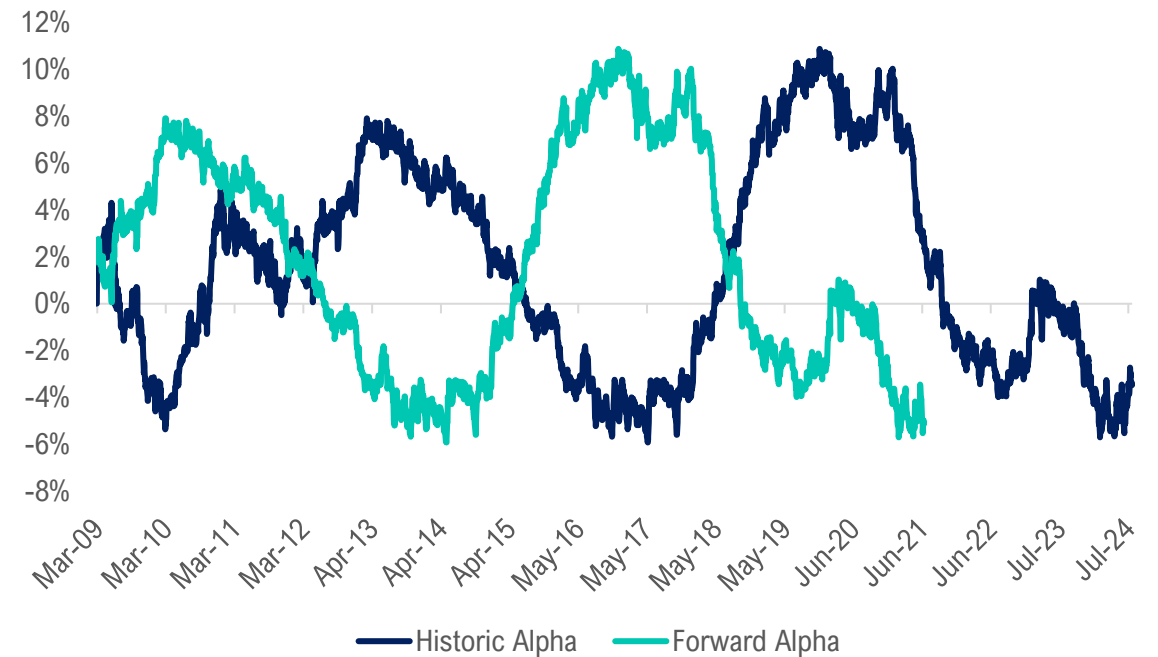
This May Be The Right Time To Concentrate On Concentration

Nifty Top 10 Equal weight Index has cyclical performance; current timing may be right

Nifty Top 10 Equal weight Index vs Nifty 50 Index – 3 Year Rolling Alpha



Nifty Top 10 Equal weight Index vs Nifty 50 Index – 3 Year Rolling Alpha

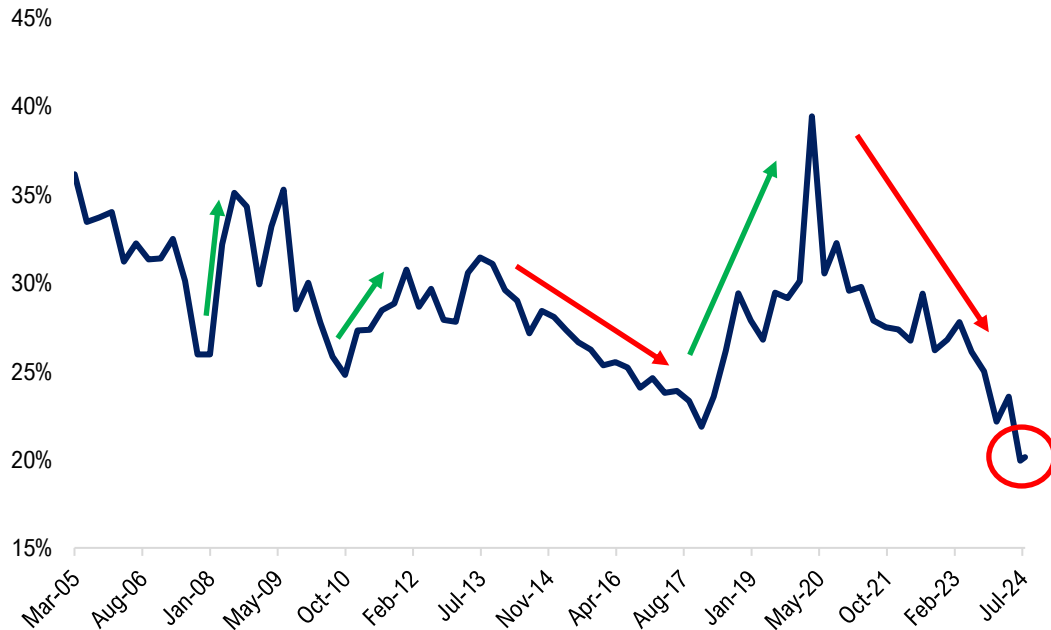


Whenever 3-year historical alpha is negative, forward alpha for Nifty Top 10 Equal weight Index has always been positive
Current 3-year historical alpha for Top 10 stocks is negative, can it turnaround?

The Largest Companies Weigh The Least In 20 Years

Weight of Top 10 stocks is currently at All Time Low

Market cap of Top 10 stocks vs Total Market cap



During phases of polarization, Nifty Top 10 Equal Weight TRI outperforms the broader market

Polarisation phase

Time Period	Nifty Top 10 Equal Weight TRI (CAGR)	Nifty 500 TRI (CAGR)	Outperformance
Dec 07 - Sep 08	-44%	-52%	7%
Sep 10 - Dec 11	-16%	-21%	5%
Dec 17 - Mar 20	0%	-12%	12%

Depolarisation phase

Time Period	Nifty Top 10 Equal Weight TRI (CAGR)	Nifty 500 TRI (CAGR)	Underperformance
Sep 13 - Dec 17	18%	21%	-3%
Mar 20 - Jul 24	27%	34%	-7%

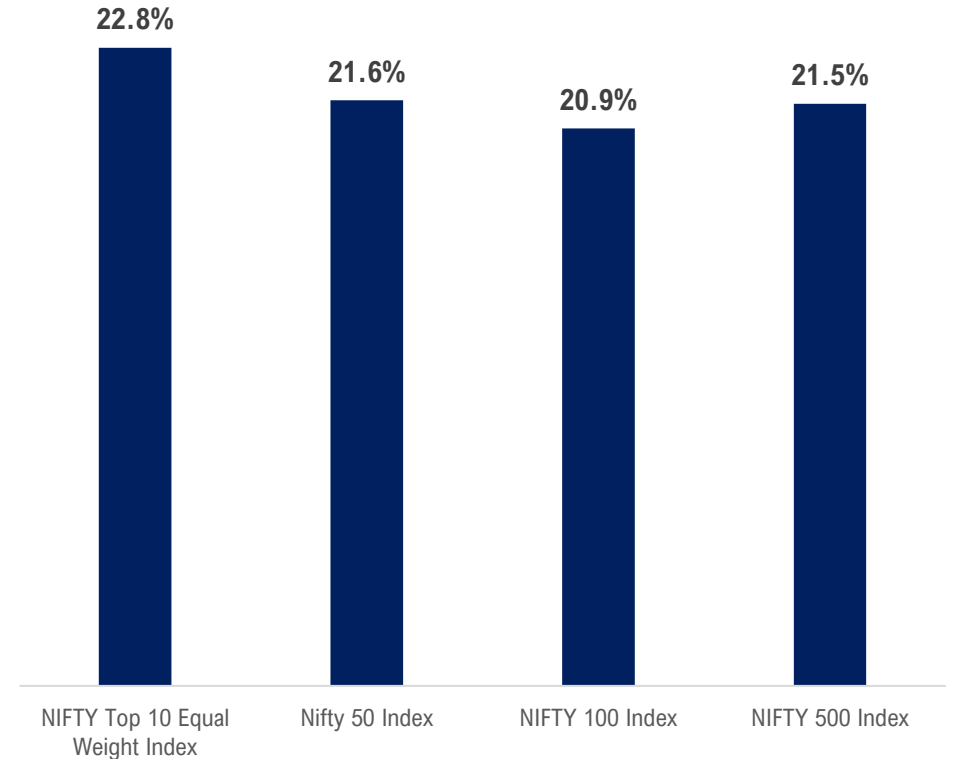
Over the last 4 years, market has witnessed significant depolarization leading to underperformance of Top 10 stocks
Can this turn around given the market's history ?

Better Outcomes With Similar Volatility

Annual Maximum loss

Year	NIFTY Top 10 Equal Weight Index	Nifty 50 Index	NIFTY 100 Index	NIFTY 500 Index
2006	-28%	-30%	-31%	-32%
2007	-14%	-15%	-15%	-15%
2008	-58%	-59%	-61%	-64%
2009	-24%	-17%	-19%	-19%
2010	-10%	-11%	-10%	-11%
2011	-23%	-25%	-26%	-28%
2012	-13%	-14%	-14%	-13%
2013	-15%	-14%	-15%	-16%
2014	-7%	-6%	-6%	-7%
2015	-16%	-15%	-14%	-13%
2016	-15%	-12%	-13%	-14%
2017	-6%	-4%	-4%	-5%
2018	-12%	-14%	-15%	-16%
2019	-10%	-11%	-10%	-12%
2020	-39%	-38%	-38%	-38%
2021	-9%	-10%	-10%	-10%
2022	-14%	-16%	-16%	-17%
2023	-6%	-7%	-9%	-9%
2024	-5%	-6%	-7%	-7%

Standard Deviation



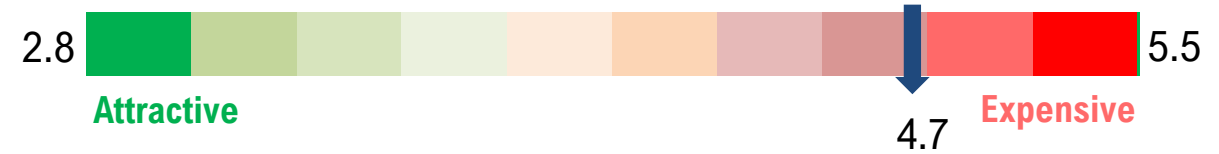
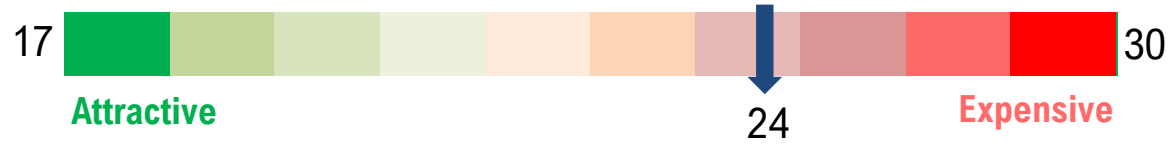
Nifty Top 10 Equal Weight Index has higher standard deviation due to concentrated portfolio but has relatively lower drawdown over the years

Amidst A Clamor For Smaller Companies, The Top 10 Stocks Are Better Placed

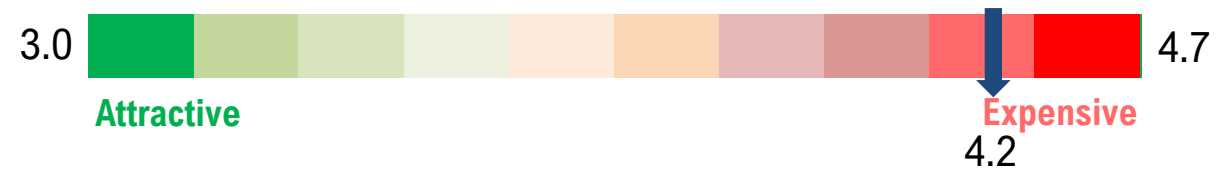
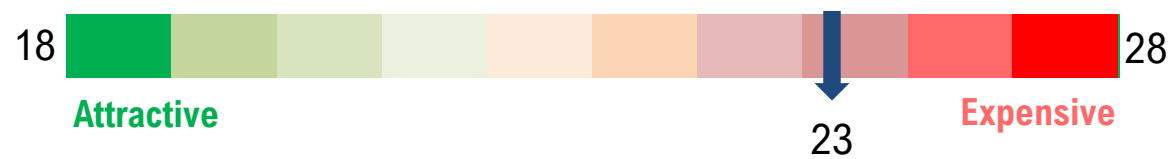
Price to Earnings (Relative to its history since 2006)

Price to Book (Relative to its history since 2006)

Nifty Top 10 Equal Weight Index



Nifty 50 Index



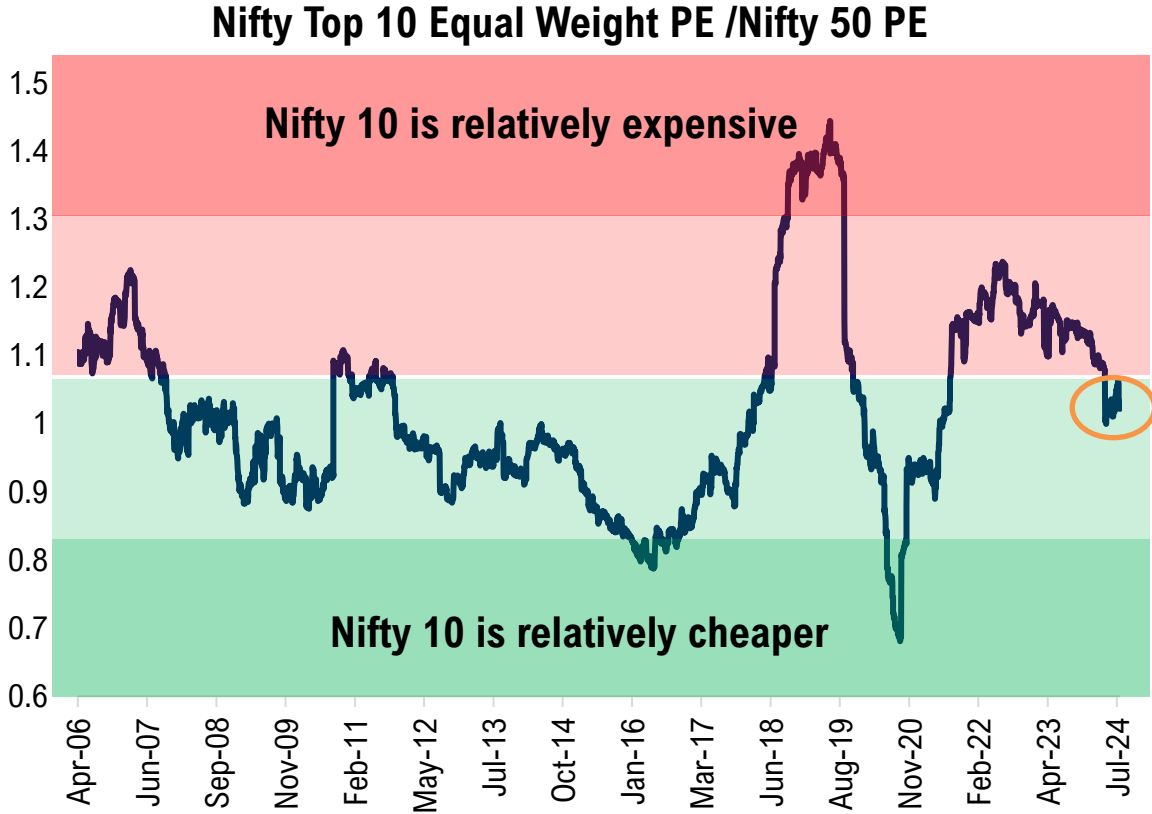
Nifty 500 Index



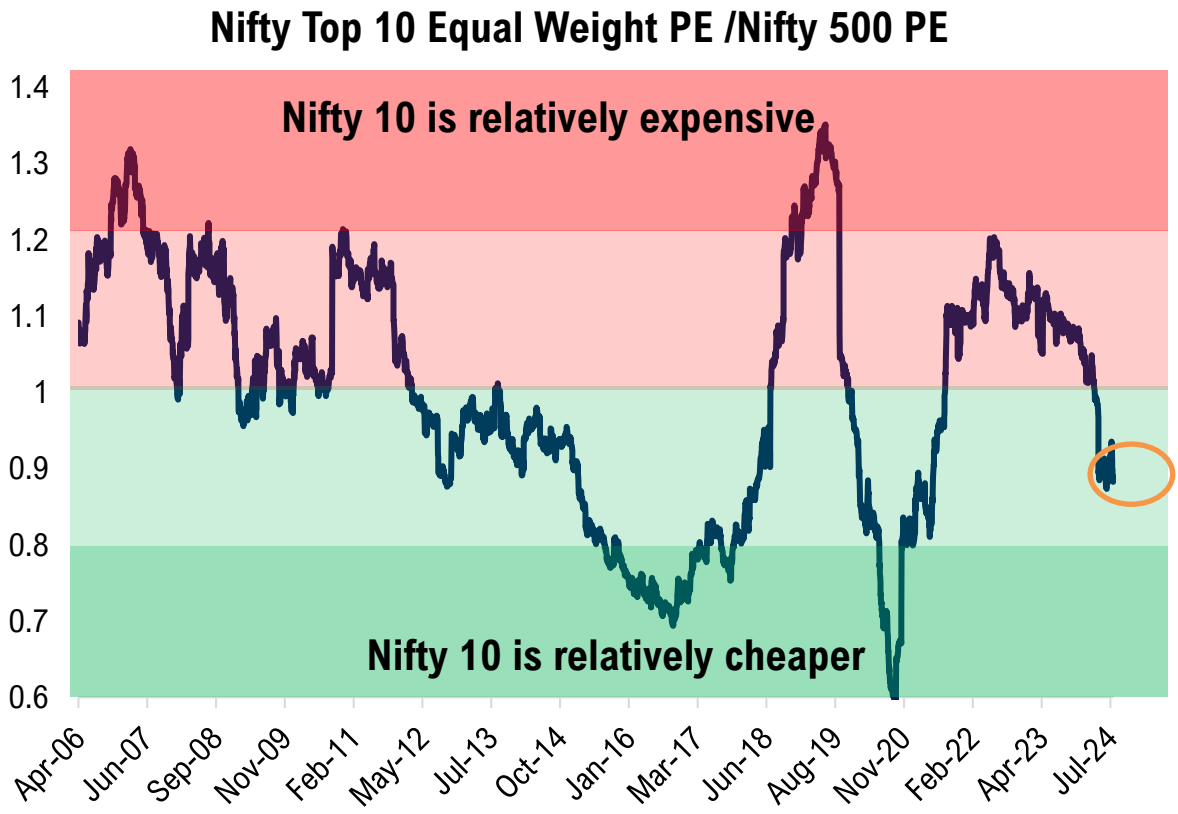
Nifty Top 10 Equal Weight Index is relatively better placed in terms of valuation compared to Nifty 50 & Nifty 500

Relative Valuations - Nifty Top 10 Equal weight index is better placed

Price to Earnings relative to Nifty 50

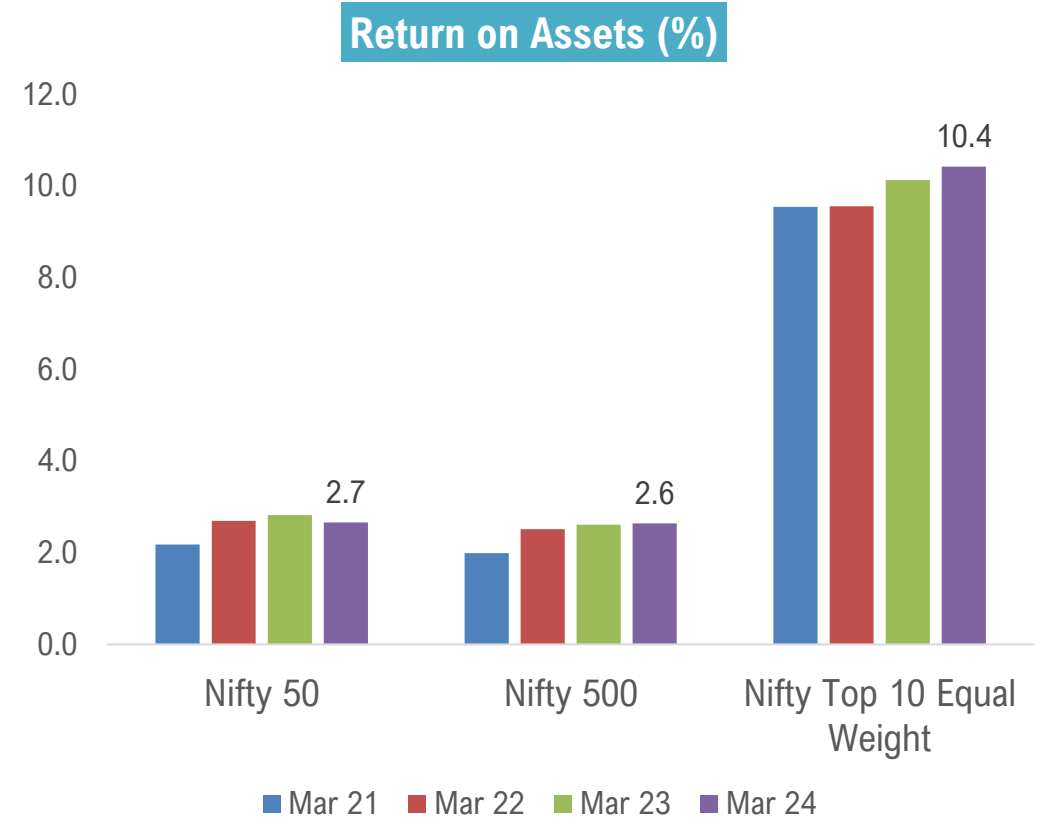
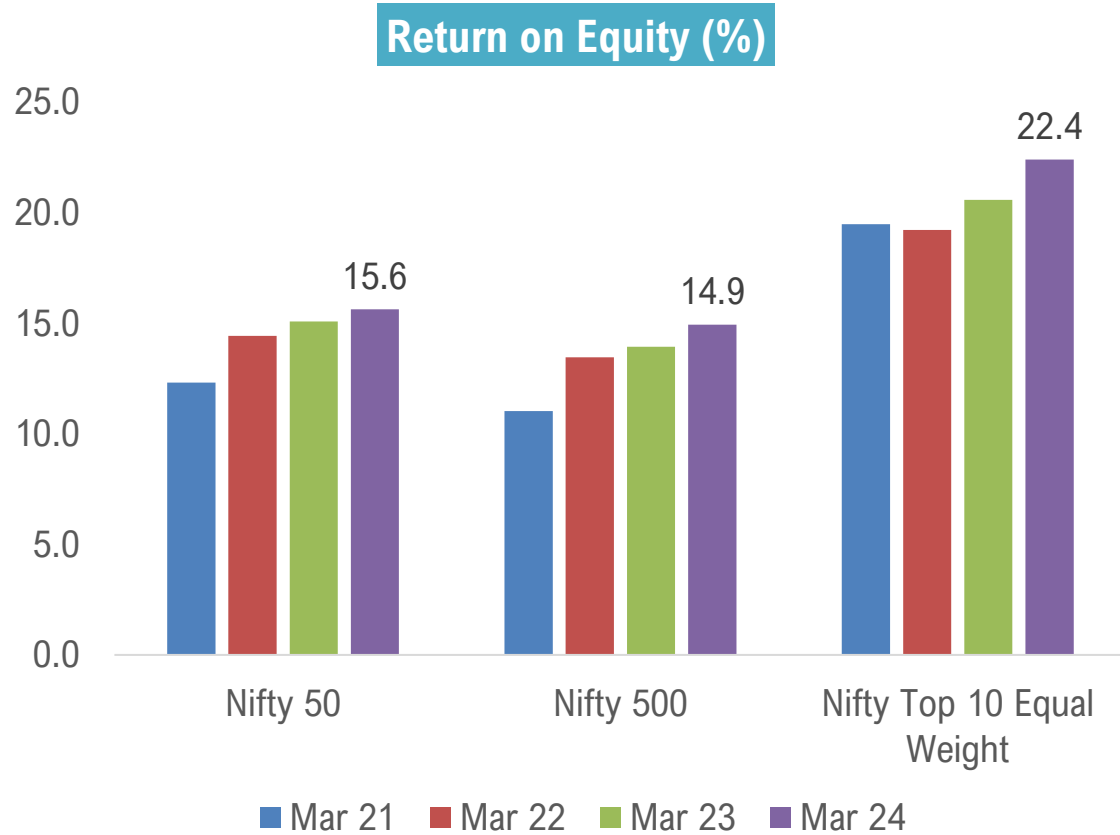


Price to Earnings relative to Nifty 500



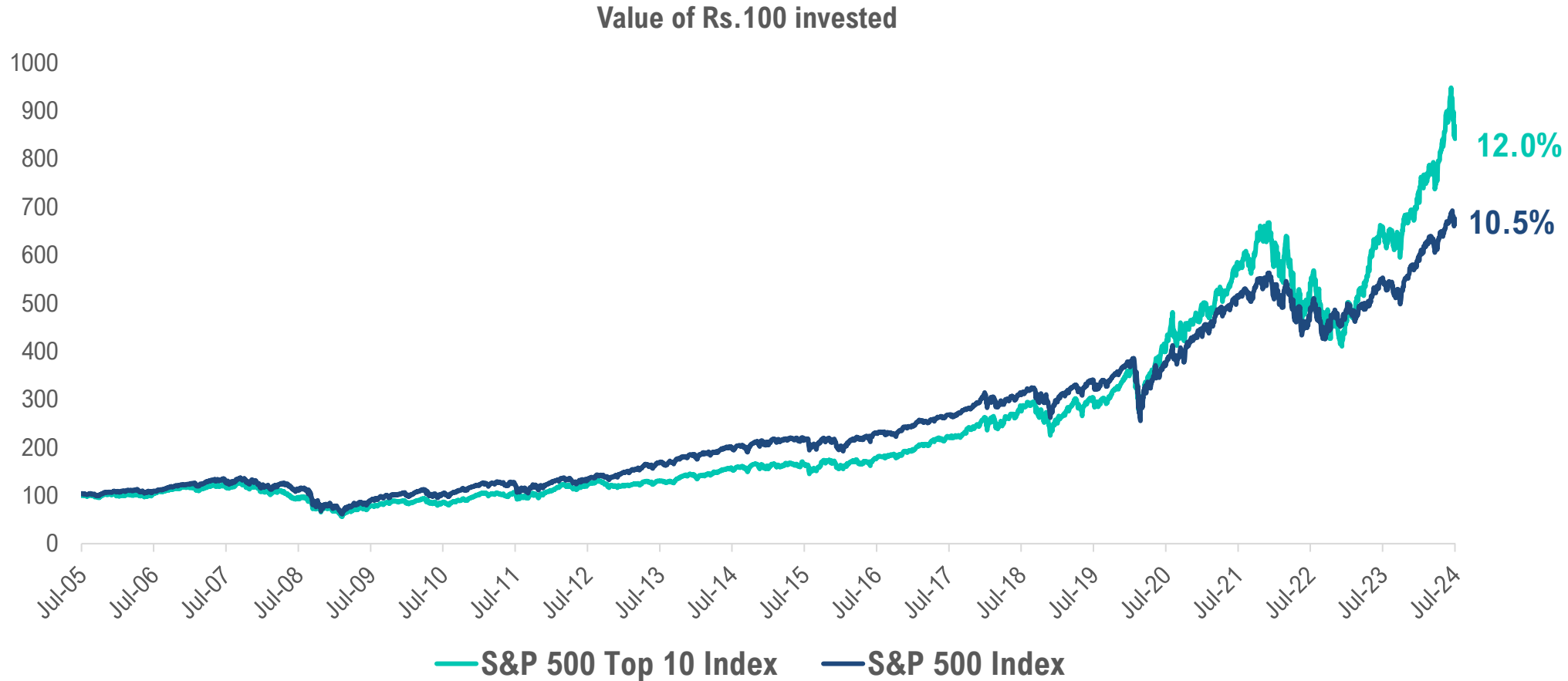
Nifty Top 10 equal weight index has entered favorable valuation zone on relative basis

Top 10 Firms Are Relatively Better



Higher return ratios vs broader market is the primary reason of outperformance of Nifty Top 10 Equal Weight TRI

Top 10 Index – An Outperformer Even In US



Top 10 stocks from S&P 500 have beaten S&P 500 index over long-term in US

Source – NSE, Internal. Data as on July 2024. **Past performance may or may not be sustained in future and should not be used as a basis for comparison with other investments.** There is no assurance of any returns/capital protection/capital guarantee to the investors in this scheme of DSP Mutual Fund. The above is for illustration purpose only

Nifty Top 10 Equal Weight TRI – Portfolio Construction

Company Name	Weight(%)
Infosys Ltd	11.4
ITC Ltd	11.0
Tata Consultancy Services Ltd	10.8
Hindustan Unilever Ltd	10.5
Larsen & Toubro Ltd	10.0
Reliance Industries Ltd	9.7
Kotak Mahindra Bank Ltd	9.6
ICICI Bank Ltd	9.5
HDFC Bank Ltd	8.9
Axis Bank Ltd	8.6

Sector	Weight(%)
Financial Services	36.6
Information Technology	22.2
Fast Moving Consumer Goods	21.5
Construction	10
Oil, Gas & Consumable Fuels	9.7

Risk – Investment Team & Process

Portfolio Management / Dealing / Analysis



Anil Ghelani, CFA
(25)
Head of Passive
Investments &
Products



Diipesh Shah
(22)
Vice President



Neha Rathi
(5)
Manager



Ravi Gehani
(7)
Manager



Sannidhya
Shegaonkar (1)
Management
Trainee

Passive Investments Process



In line with global best practices - dedicated passive investment desk to increase focus

Scheme Details

Nature	DSP Nifty Top 10 Equal Weight Index Fund	DSP Nifty Top 10 Equal Weight ETF
Category of the Scheme	Index Fund	ETF
Type of the Scheme	An open ended scheme replicating/ tracking Nifty Top 10 Equal Weight Index	
Investment Objective	<p>The investment objective of the Scheme is to generate returns that are commensurate with the performance of the Nifty Top 10 Equal Weight Index, subject to tracking error.</p> <p>There is no assurance that the investment objective of the Scheme will be achieved.</p>	<p>The Scheme seeks to provide returns that, before expenses, correspond to the total return of the underlying index (Nifty Top 10 Equal Weight TRI), subject to tracking errors.</p> <p>There is no assurance that the investment objective of the Scheme will be achieved.</p>
Benchmark details	Nifty Top 10 Equal Weight TRI	
Plans	- Regular - Direct	No plans
Options	- Growth	No Option
Minimum Application Amount (First purchase and Subsequent purchase)	Applicable to both Regular & Direct Plan: For first investment and for additional purchase - Rs. 100/- & any amount thereafter.	For NFO – Rs.5,000 or any amount thereafter
Minimum Installment Amount for Systematic Investment Plan (SIP)	Rs. 100/- & any amount thereafter	Not Available
Exit Load	Nil	Not Applicable
Fund Manager	Mr Anil Ghelani, Mr Diipesh Shah	
Expense Ratio	Regular plan – Up to 1.0%* Direct plan – Up to 0.25%*	Upto 0.2%*

Risks

Concentration Risk

- This index provides exposure only to 10 stocks, leading to concentration risk

High Volatility

- This fund can have higher volatility as compared to diversified equity funds

Underperformance

- This fund can underperform diversified equity funds in the short term

Risks – Tracking Error

The Fund Manager would not be able to invest the entire corpus exactly in the same proportion as in the underlying index due to certain factors such as the fees and expenses of the respective scheme, corporate actions, cash balance, changes to the underlying index and regulatory policies which may affect AMC's ability to achieve close correlation with the underlying index of the scheme. The scheme's returns may therefore deviate from those of its underlying index. "Tracking Error" is defined as the standard deviation of the difference between daily returns of the underlying index and the NAV of the respective scheme. Tracking Error may arise including but not limited to the following reasons:

- i. Delay in the purchase or sale of stocks within the benchmark due to
 - Illiquidity in the stocks, circuit filters on the stocks
 - Delay in realisation of sale proceeds
- ii. Expenditure incurred by the fund
- iii. The holding of a cash position and accrued income prior to distribution of income and payment of accrued expenses. The fund may not be invested at all time as it may keep a portion of the funds in cash to meet redemptions or for corporate actions.
- iv. Securities trading may halt temporarily due to circuit filters.
- v. Corporate actions such as debenture or warrant conversion, rights, merger, change in constituents etc.
- vi. Rounding off of quantity of shares in underlying index
- vii. Dividend payout
- viii. Disinvestments to meet redemptions, recurring expenses, etc.
- ix. Execution of large buys / sell orders
- x. Transaction cost (including taxes and insurance premium) and recurring expenses
- xi. Realization of Unit holders funds
- xii. Index providers may either exclude or include new scrips in their periodic review of the scrips that comprise the underlying index. In such an event, the Fund will try to reallocate its portfolio but the available investment/reinvestment opportunity may not permit absolute mirroring immediately.

SEBI Regulations (if any) may impose restrictions on the investment and/or divestment activities of the Scheme. Such restrictions are typically outside the control of the AMC and may cause or exacerbate the Tracking Error.

It will be the endeavor of the fund manager to keep the tracking error as low as possible. However, in case of events like, dividend received from underlying securities, rights issue from underlying securities, and market volatility during rebalancing of the portfolio following the rebalancing of the underlying index, etc. or in abnormal market circumstances may result in tracking error. There can be no assurance or guarantee that the Scheme will achieve any particular level of tracking error relative to performance of the Index.




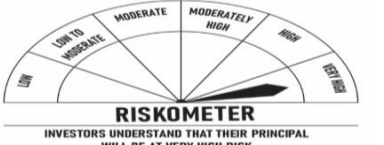
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Mutual Fund investments are subject to market risks, read all scheme related documents carefully.

<p>DSP Nifty Top 10 Equal Weight Index Fund (An open ended scheme replicating/ tracking Nifty Top 10 Equal Weight Index)</p>	<p>This product is suitable for investor who are seeking*</p> <ul style="list-style-type: none"> • Long-term capital growth • Investment in equity and equity related securities covered by Nifty Top 10 Equal Weight Index, subject to tracking error. 	<p>SCHEME RISKOMETER</p>  <p>RISKOMETER INVESTORS UNDERSTAND THAT THEIR PRINCIPAL WILL BE AT VERY HIGH RISK</p>	<p>BENCHMARK [Nifty Top 10 Equal Weight TRI] RISKOMETER</p>  <p>RISKOMETER INVESTORS UNDERSTAND THAT THEIR PRINCIPAL WILL BE AT VERY HIGH RISK</p>
<p>DSP Nifty Top 10 Equal Weight ETF (An open ended scheme replicating/ tracking Nifty Top 10 Equal Weight Index)</p>	<p>This product is suitable for investors who are seeking*</p> <ul style="list-style-type: none"> • Long-term capital growth • Investment in equity and equity related securities covered by Nifty Top 10 Equal Weight Index, subject to tracking error. 	<p>SCHEME RISKOMETER</p>  <p>RISKOMETER INVESTORS UNDERSTAND THAT THEIR PRINCIPAL WILL BE AT VERY HIGH RISK</p>	<p>BENCHMARK [Nifty Top 10 Equal Weight TRI] RISKOMETER</p>  <p>RISKOMETER INVESTORS UNDERSTAND THAT THEIR PRINCIPAL WILL BE AT VERY HIGH RISK</p>

*Investors should consult their financial advisers if in doubt about whether the Scheme is suitable for them.

DSP
ASSET MANAGERS

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