

**NFO Period**

**03<sup>rd</sup> -10<sup>th</sup>  
November  
2023**

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# **DSP GOLD ETF Fund of Fund**

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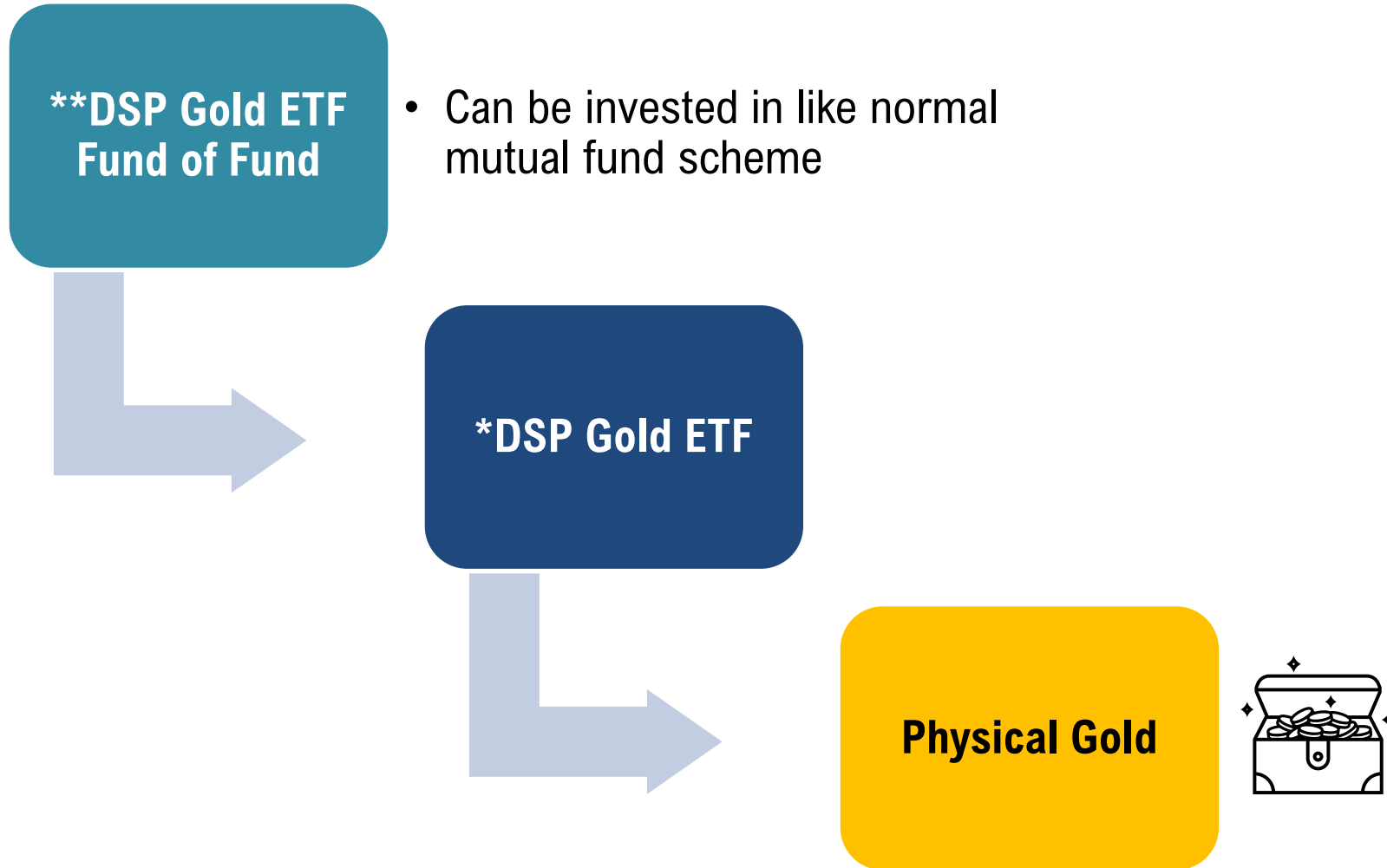
**The asset that never goes out of style**

**An open ended fund of fund scheme investing in DSP Gold ETF**

**DSP**  
**MUTUAL FUND**

# What is DSP GOLD ETF Fund of Fund?

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\*DSP Gold ETF seeks to generate returns that are in line with the performance of physical gold in domestic prices, subject to tracking error. Buying units of DSP Gold ETF means you are purchasing gold in an electronic form, through your Demat account.

\*\*DSP Gold ETF Fund of Fund invests in gold via DSP Gold ETF, thereby eliminating the need for a Demat account.

**GOLDEN OUTLOOK**



**K**



# What We Won't Tell You?

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- Gold Is **Evergreen**
- Gold is an **Inflation Hedge**
- Gold is an **All-Weather Asset Class**
- Gold is less **Volatile**
- Gold is **Store of Value**
- Gold is **GOLDEN**

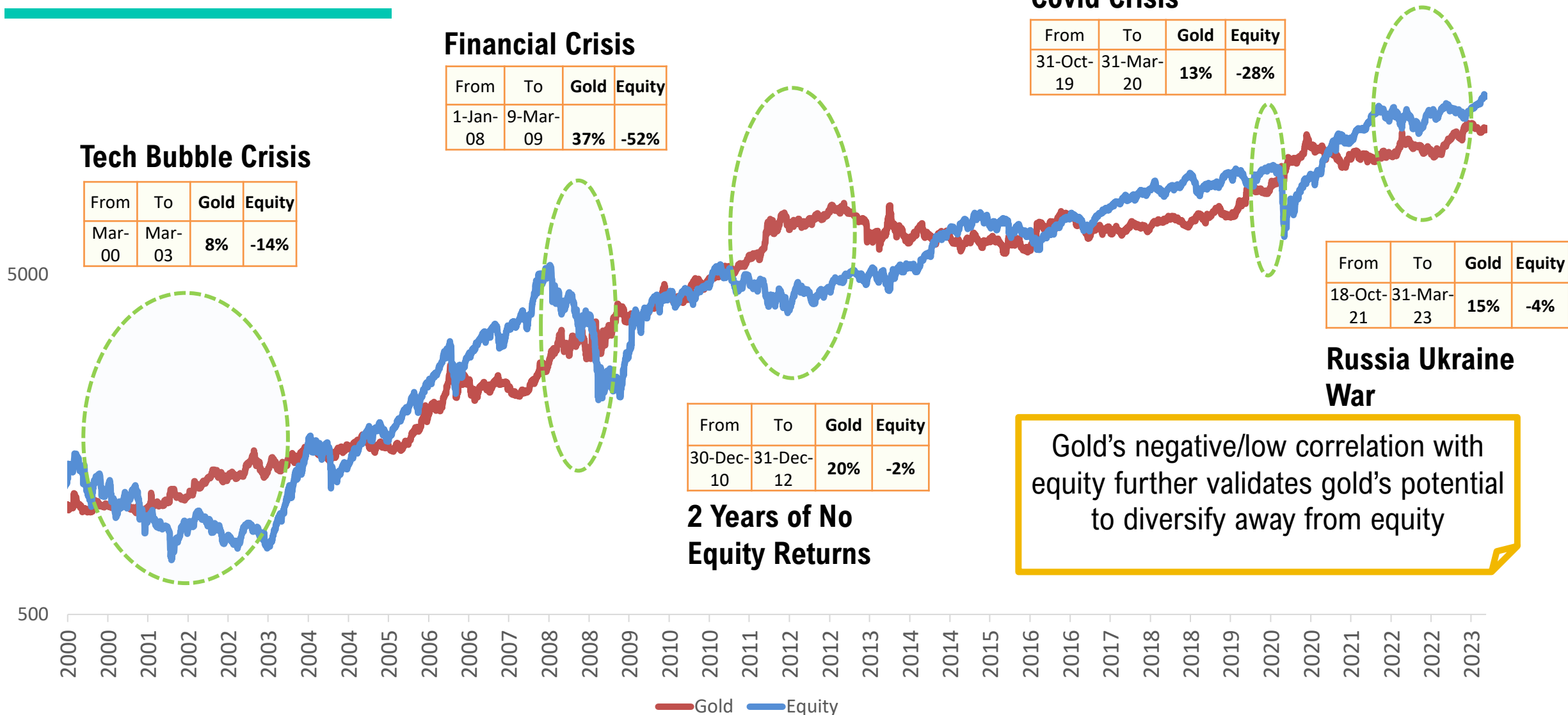
**You Already Know it!**

# When the dollar fails, the gold standard prevails.

REER, or Real Effective Exchange Rate, gauges a currency's worth by considering not just nominal exchange rates but also adjusting for price level i.e. inflation differences with trading partners, offering a broader view of its value. Historically, there has been an inverse correlation between US Dollar and Gold. Currently, US Dollar is overvalued as per REER and is ripe for a fall. **Weakness in US Dollar can help Gold enter a new bull market.**

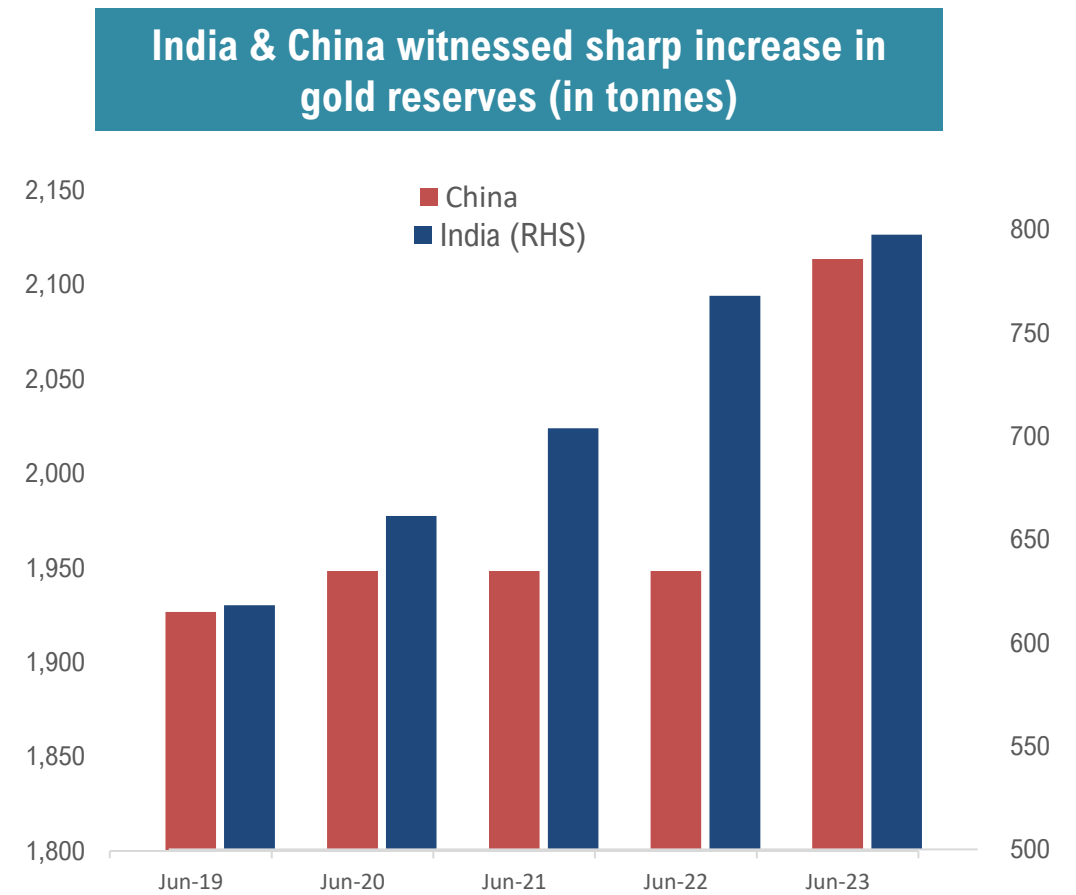
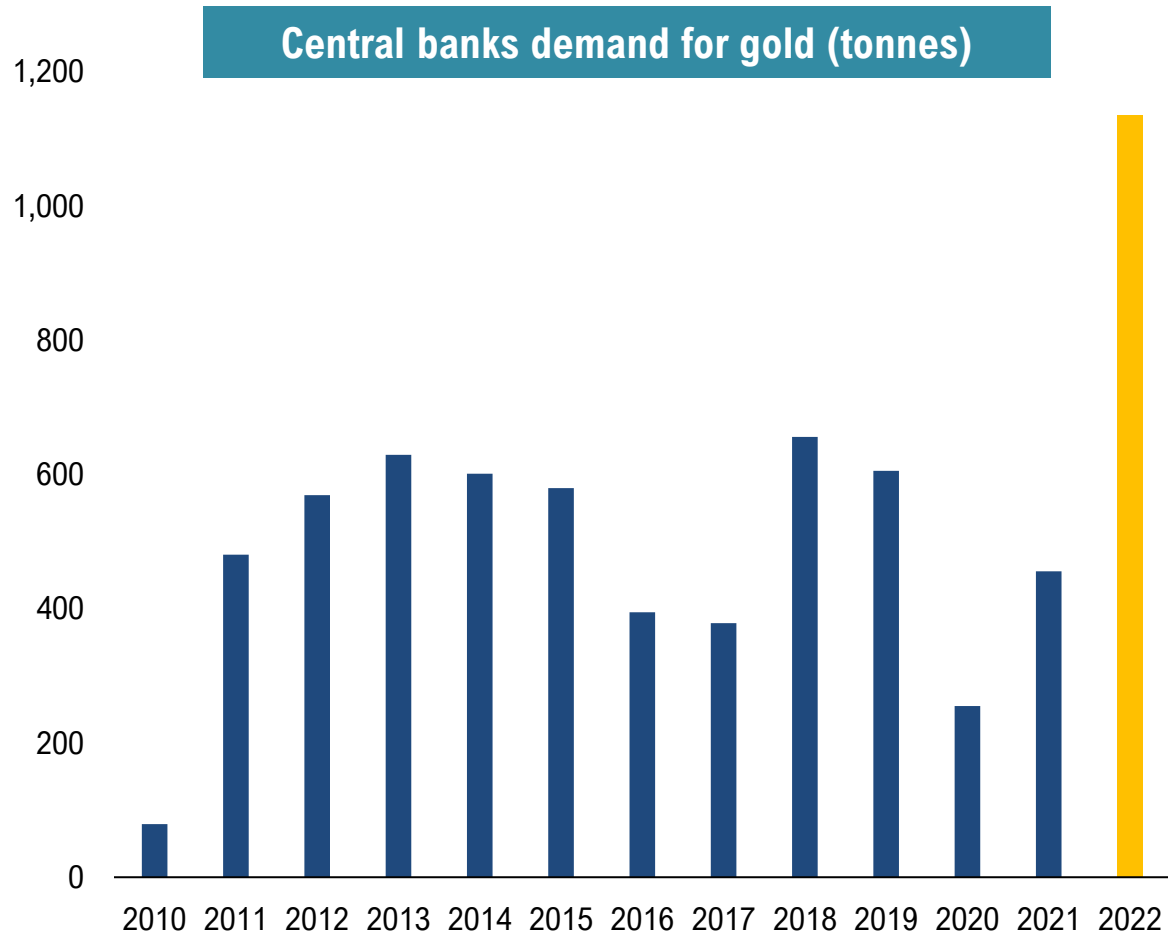


# Gold to the Rescue

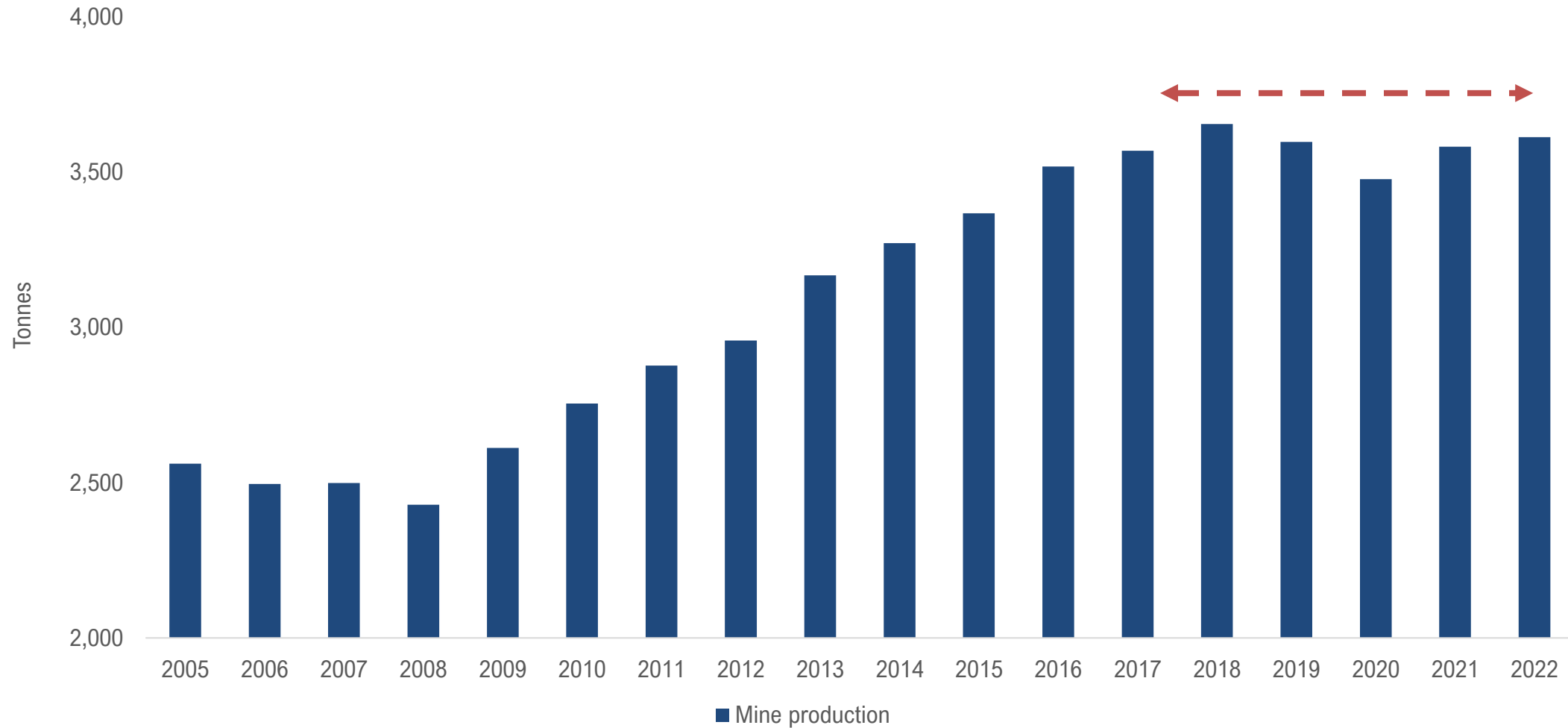


Gold's negative/low correlation with equity further validates gold's potential to diversify away from equity

# Central Banks tread the Golden Path



# Supply - Gold mined has been stagnant for last 6 years





# Gold Returns in India have been flat over the past 3 Years

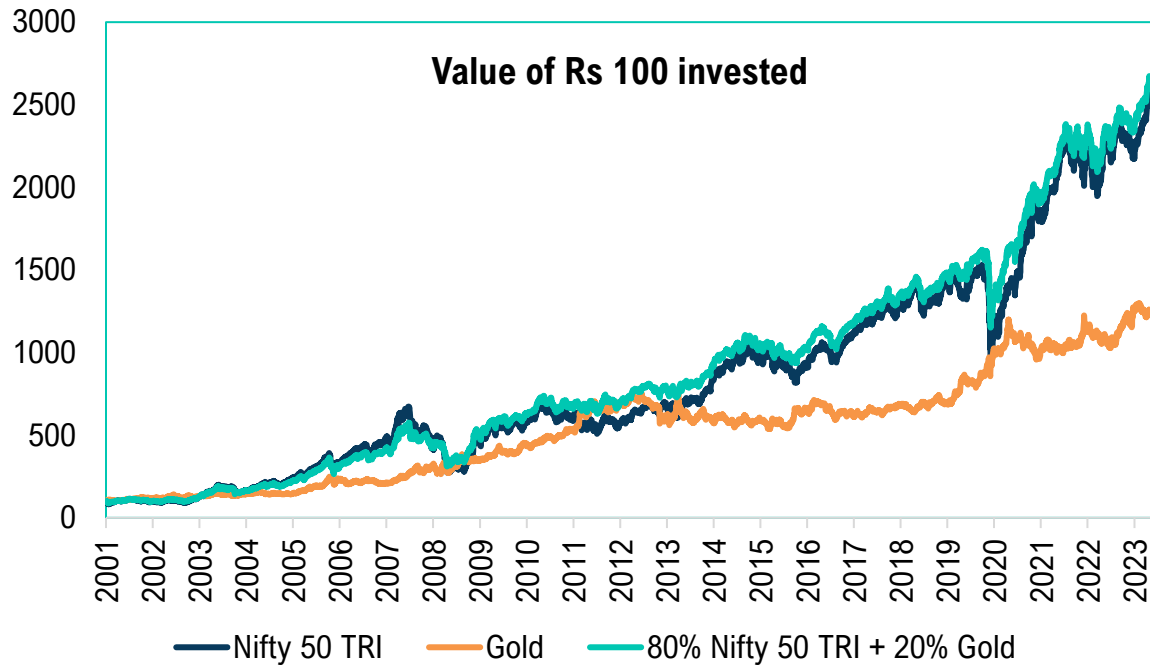


# A Rather Prolonged Dry Spell For USD Gold Returns

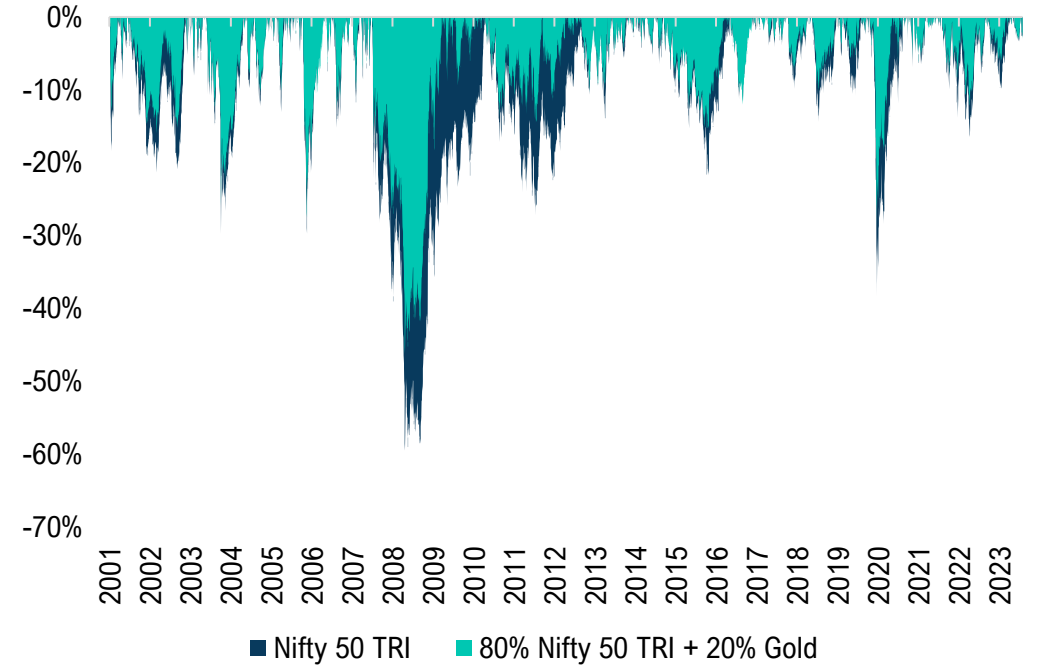


# Low correlation = Diversification + Better risk adjusted returns

**Smoother Investment Journey**



**Lower drawdown**



	Nifty 50 TRI	Gold	80% Nifty 50 TRI + 20% Gold
Returns	15.9%	12.1%	16.1%
Standard Deviation	21.7%	17.3%	17.0%
Risk adjusted returns	0.73	0.70	0.95

	Nifty 50 TRI	80% Nifty 50 TRI + 20% Gold
Tech Bubble crisis	-21.3%	-16.0%
Financial Crisis	-59.5%	-46.2%
Covid crisis	-38.3%	-29.0%

Source: Internal, Bloomberg. Data as of 30 September 2023. Annual rebalancing considered for 80% Nifty 50 & 20% Gold portfolio. Past performance may or may not be sustained in future and should not be used as a basis for comparison with other investments. These figures pertain to performance of the index/Model and do not in any manner indicate the returns/performance of the Scheme. It is not possible to invest directly in an index. There is no assurance of any returns/capital protection/capital guarantee to the investors in the Scheme.

# Gold Product Options

	Gold Fund of Fund	Gold ETF	Physical Gold	Sovereign Gold Bond
<b>Purity</b>	High	High	Can not be guaranteed	High
<b>Safety</b>	No risk	No risk	High safety risk	No risk
<b>Interest rate</b>	--	--	--	2.5% per annum
<b>Pricing</b>	Transparent	Transparent	Can not be guaranteed	Transparent
<b>Tenor</b>	None	None	None	8 years. Can be redeemed after 5 years subject to Capital Gains Tax
<b>Demat Account</b>	Not Required	Required	Not Required	Required for purchase/sale in secondary market
<b>Liquidity</b>	High	High	Liquidity is High but there will be cost of liquidating	Low on exchange- can be traded on exchange if held in demat form
<b>Denomination</b>	In units	In units (1 unit=0.01 gm of gold)	Pre-defined	1 gram of gold
<b>Taxation</b>	Short Term Capital Gains taxed based on investor's income slab* (Specified Mutual Fund u/s 50AA)	Short Term Capital Gains taxed based on investor income slab* (Specified Mutual Fund u/s 50AA)	Capital gain taxation	#Sale / Redemption before maturity – Taxable as capital gains Redemption at maturity – Capital gains not taxable for Individuals Interest taxable as Other Income at applicable slab rates.

# Scheme Features

<b>Name of scheme</b>	DSP Gold ETF Fund of Fund
<b>Type of scheme</b>	An open ended fund of fund scheme investing in DSP Gold ETF
<b>Plans</b>	<ul style="list-style-type: none"><li>- Regular</li><li>- Direct</li></ul>
<b>Options</b>	<ul style="list-style-type: none"><li>- Growth option</li><li>- Income Distribution cum capital withdrawal (IDCW) – Payout &amp; Reinvestment option</li></ul>
<b>Minimum Application Amount</b>	Rs. 100/- and any amount thereafter
<b>Exit Load</b>	Nil
<b>Fund Manager</b>	Anil Ghelani and Diipesh Shah
<b>Benchmark</b>	Domestic Price of Physical Gold (based on London Bullion Market Association (LBMA) gold daily spot fixing price)
<b>SIP/STP/SWP</b>	Available
<b>Minimum instalment for SIP/SWP/STP</b>	Rs. 100/- and any amount thereafter
<b>Taxation</b>	Maximum Marginal Rate of tax
<b>Expense ratio*</b>	Regular plan – Upto 0.5% Direct plan – Upto 0.2%

# Investment team & Process

## Portfolio Management / Dealing / Analysis



**Anil Ghelani, CFA**  
(20 yrs)  
Head of Passive  
Investments & Products



**Diipesh  
Shah**  
(19 yrs)  
Vice President



**Aanchal Almal, CFA**  
(8 yrs)  
Manager

## Passive Investments Process

### Pre - Trade Evaluation

Review Opening Portfolios  
and forecast Cash Flows

Track mandatory and elective  
Corporate Actions

Track Scheduled and Adhoc  
rebalances

### Investment Decision

Review market liquidity to  
manage impact costs

Strategy for stock level  
timing and pace of execution

Monitor  
real time market movement

Identify price movements and  
evaluate stock lending  
opportunities

### Post - Trade Analysis

Evaluate trade execution

Analyse Tracking Error

Ensure real time portfolio  
weights align with underlying  
index

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

# Risk in investing in Gold ETF Fund of Fund

## Price Risk

It's not easy to find intrinsic value of gold

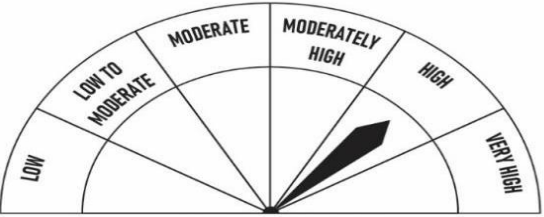
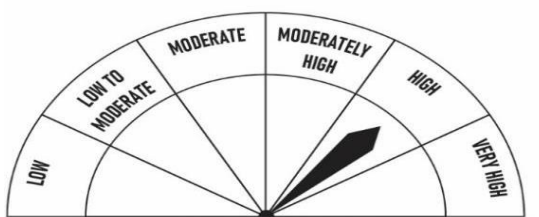

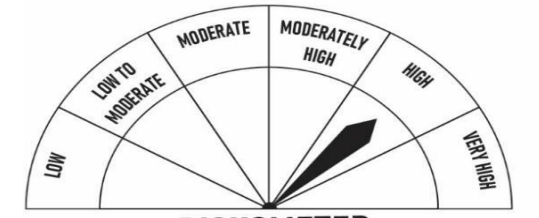
## Liquidity Risk

Liquidity may vary from time to time

Gold can be a **cyclical asset class**; entering at wrong time can impact returns over short term

Note: If the subscription amount is less than creation unit size, fund will buy ETF from exchange at a higher cost of acquisition, which may result in a different return profile compared to gold returns profile.

# Product Labelling

<p>DSP Gold ETF Fund of Fund</p> <p>(An open ended fund of fund scheme investing in DSP Gold ETF)</p>	<p>This open ended Fund of Funds Scheme is suitable for investors who are seeking*</p> <ul style="list-style-type: none"> <li>•Long-term capital growth</li> <li>•Investments in units of DSP Gold ETF which in turn invest in Physical Gold</li> </ul> <p>*Investors should consult their financial advisers if in doubt about whether the product is suitable for them</p>	<p><b>SCHEME RISKOMETER</b></p>  <p><b>RISKOMETER</b></p> <p>INVESTORS UNDERSTAND THAT THEIR PRINCIPAL WILL BE AT HIGH RISK</p>	<p><b>BENCHMARK^ RISKOMETER</b></p>  <p><b>RISKOMETER</b></p> <p>INVESTORS UNDERSTAND THAT THEIR PRINCIPAL WILL BE AT HIGH RISK</p>
<p>DSP Gold ETF</p> <p>(An open ended exchange traded fund replicating/tracking domestic prices of Gold)</p>	<p>This product is suitable for investors who are seeking*</p> <ul style="list-style-type: none"> <li>• Capital appreciation over long term.</li> <li>• Investment in gold in order to generate returns similar to the performance of gold, subject to tracking error.</li> </ul> <p>*Investors should consult their financial advisers if in doubt about whether the product is suitable for them</p>	<p><b>SCHEME RISKOMETER</b></p>  <p><b>RISKOMETER</b></p> <p>INVESTORS UNDERSTAND THAT THEIR PRINCIPAL WILL BE AT HIGH RISK</p>	<p><b>BENCHMARK^ RISKOMETER</b></p>  <p><b>RISKOMETER</b></p> <p>INVESTORS UNDERSTAND THAT THEIR PRINCIPAL WILL BE AT HIGH RISK</p>

^ Benchmark - Domestic Price of Physical Gold (based on London Bullion Market Association (LBMA) gold daily spot fixing price)



# Disclaimer & Product Labelling

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

**DSP**  
**ASSET MANAGERS**

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