



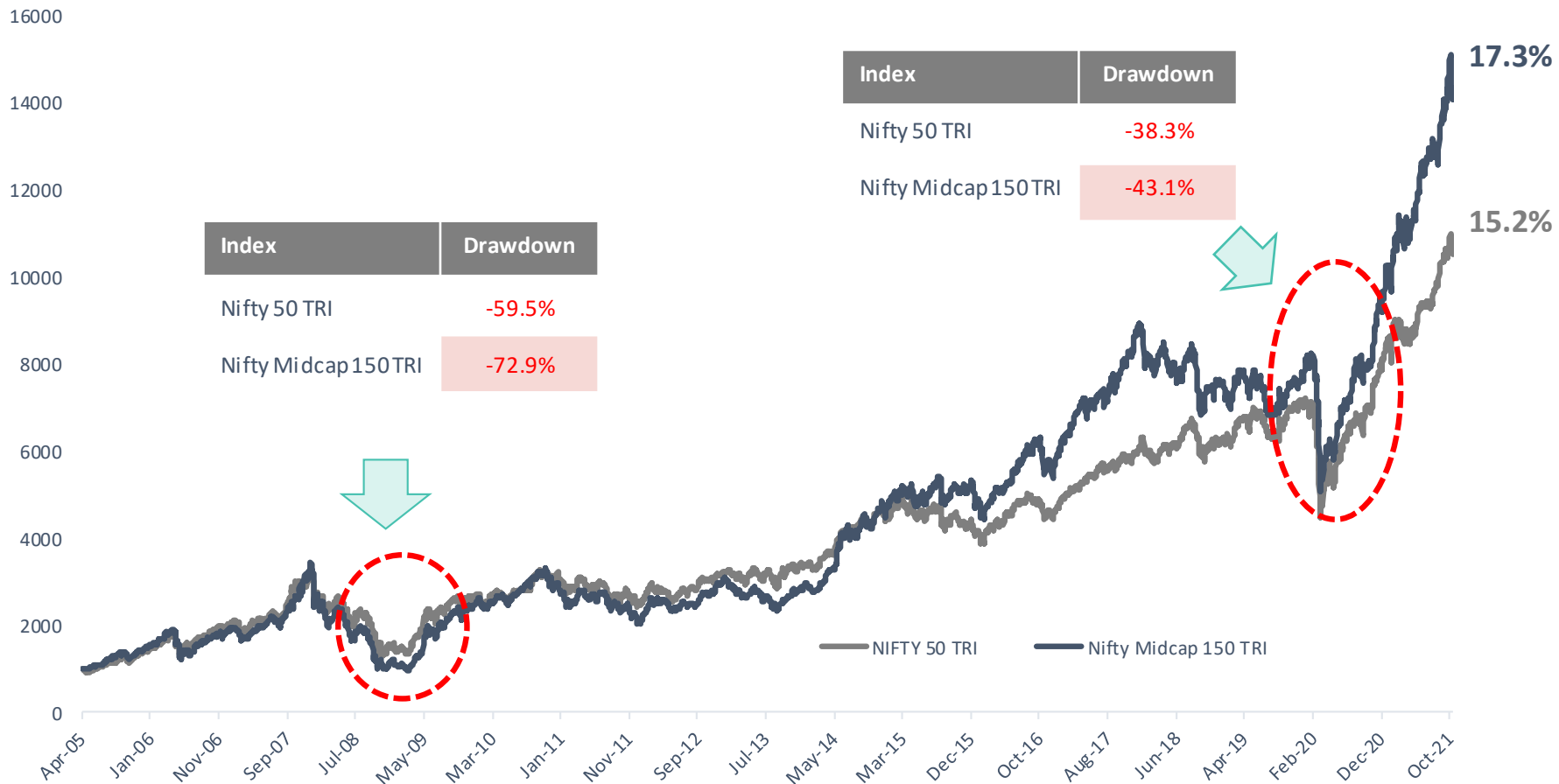
DSP Nifty Midcap 150 Quality 50 ETF



| People | Processes | Performance |

Why MidCap?

High return potential compared to Large-caps with relatively higher risk

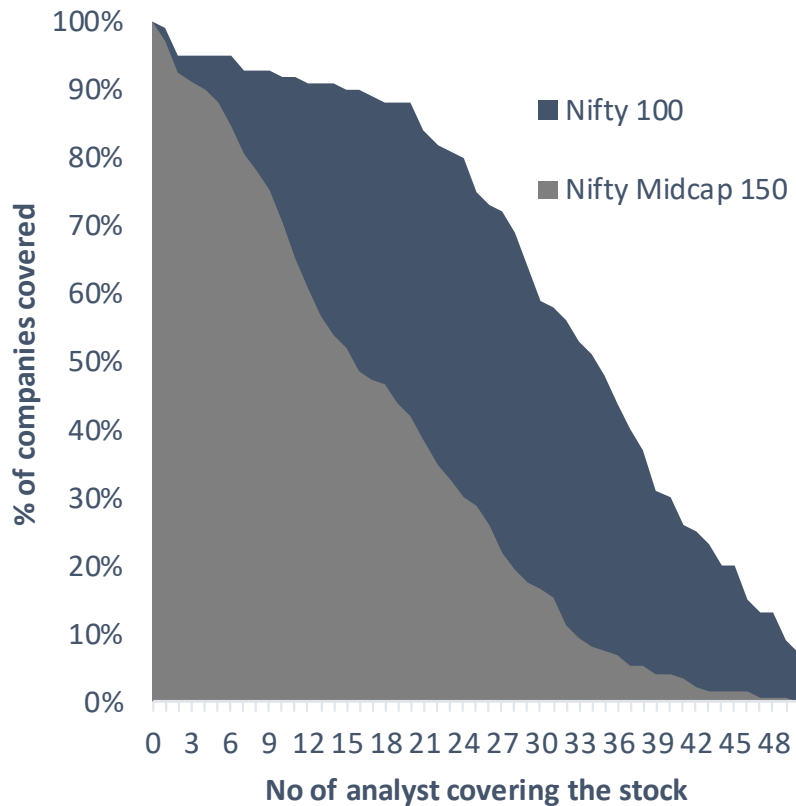


Data as on 29 Oct 2021; Source—Internal, NSE; **Past performance may or may not be sustained in the future and should not be used as a basis for comparison with other investments.** These figures pertain to performance of the index and do not in any manner indicate the returns/performance of the scheme. It is not possible to invest directly in Index.

Why MidCap?

Relatively under-researched

Fewer analyst cover Midcaps



Relatively under-owned

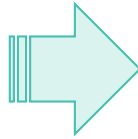
Institutional holdings (FII & DII) in midcaps are significantly lower than those in large caps

Ownership (%)	FII	DII
Nifty 100	17%	28%
Nifty Midcap 150	13%	16%

Data as on 29 Oct 2021; Source – Internal, Bloomberg

Why Quality within Midcap?

Growth Parameters



5 Year CAGR

Profit Growth

4.8%

9.8%

Sales Growth

8.9%

10.4%

■ Nifty Midcap 150

■ Nifty Midcap 150 Quality 50

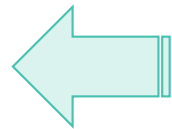
P/E ratio

31.61

31.53

Nifty Midcap 150

Nifty Midcap 150 Quality
50



Valuations

Source – IIFL Cap, NSE, Internal. Data as on Oct 29, 2021

High Growth + Quality companies at same price

Why Quality within Midcap?

Since inception returns



Nifty Midcap 150 Quality 50 TRI has outperformed its parent index Nifty Midcap 150 TRI since its inception;

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Calendar year performance

Calendar Year	Nifty Midcap 150 Quality 50 TRI	Nifty Midcap 150 TRI
2005	47%	43%
2006	22%	28%
2007	47%	78%
2008	-51%	-65%
2009	122%	114%
2010	36%	20%
2011	-21%	-31%
2012	34%	47%
2013	10%	-1%
2014	69%	63%
2015	5%	10%
2016	10%	7%
2017	55%	56%
2018	-8%	-13%
2019	4%	1%
2020	27%	26%
YTD 2021	37%	46%

In 11 out of 17 calendar years - Nifty Midcap 150 Quality 50 TRI performed better than Nifty Midcap 150 TRI

Why Midcap Quality NOW?

Midcap Quality has underperformed in last 1 year

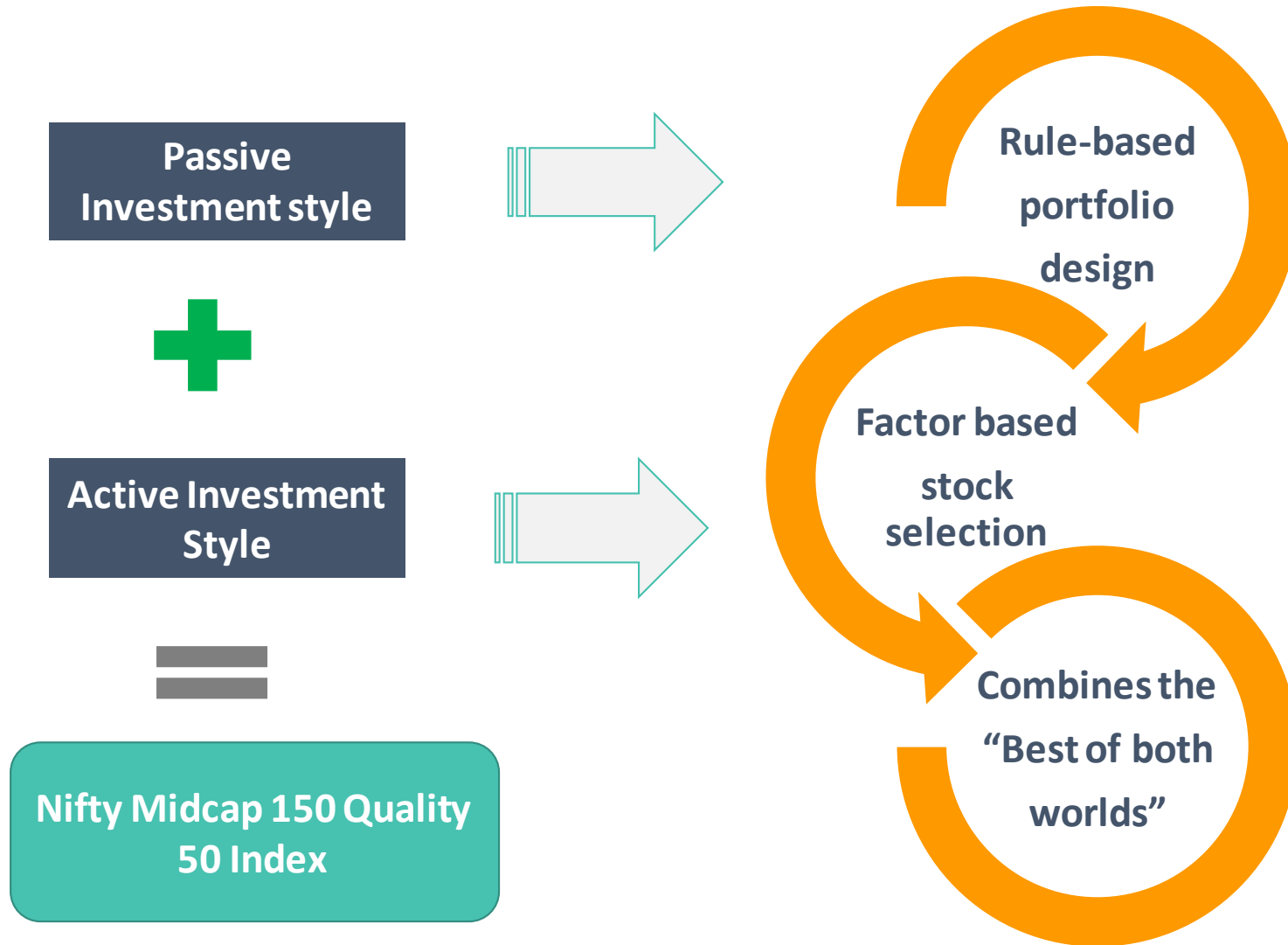
Particulars	Last 1-year returns
Nifty Midcap 150 TRI (A)	78%
Nifty Midcap 150 Quality 50 TRI (B)	63%
Alpha (B-A)	-15%

Historically, short-term underperformance by Quality is followed by future outperformance; Higher the underperformance, higher the future outperformance

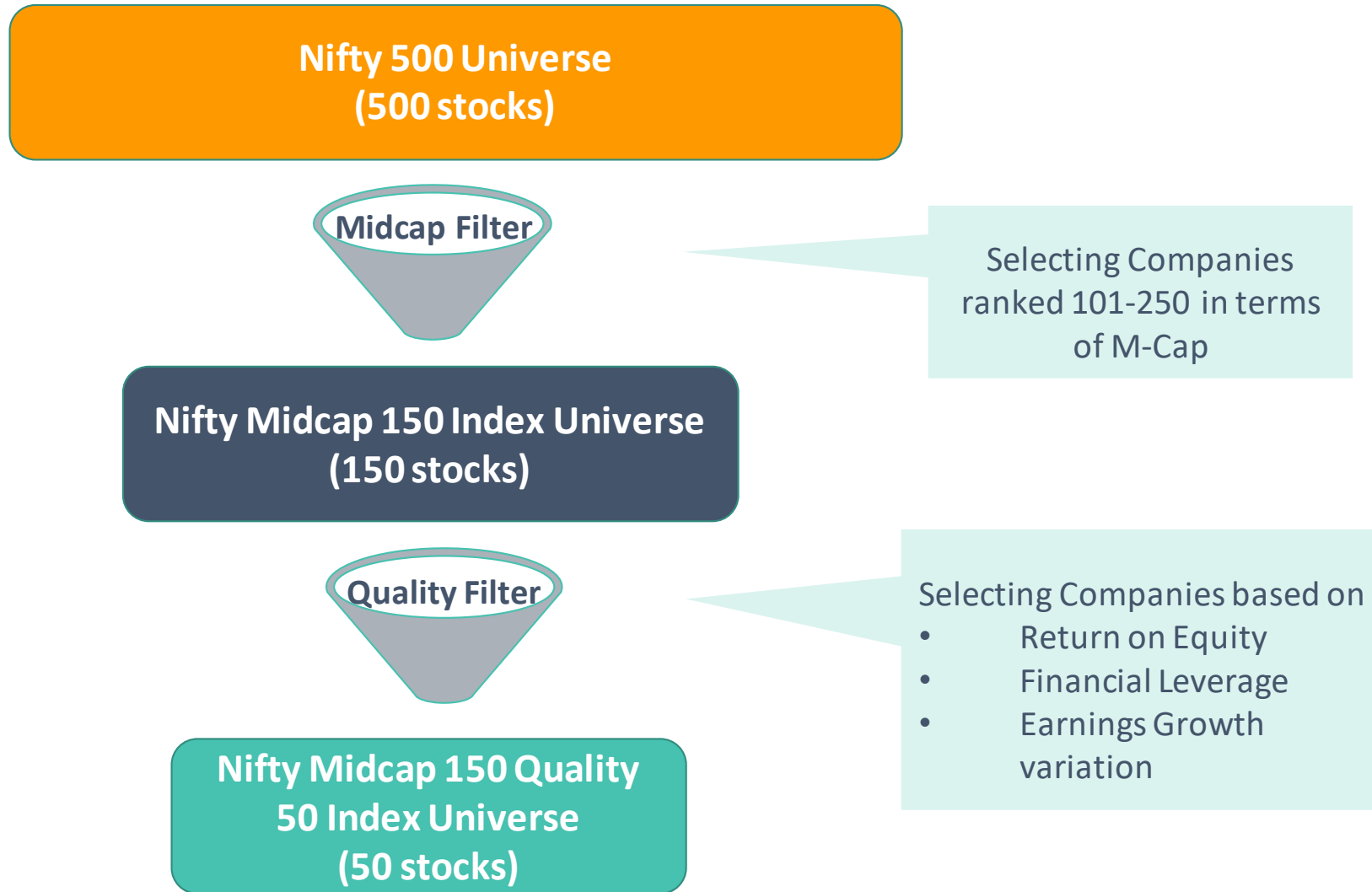
Historical Alpha (1 year)	1 Year Forward		3 Year Forward	
	Average Alpha	% times outperformed	Average Alpha	% times outperformed
<0%	4.0%	73%	6.7%	99%
<-5%	7.3%	88%	11.6%	100%
<-10%	13.4%	100%	15.1%	100%

The current underperformance may suggest a good time to invest in Nifty Midcap 150 Quality 50 Index for investor seeking Midcap exposure

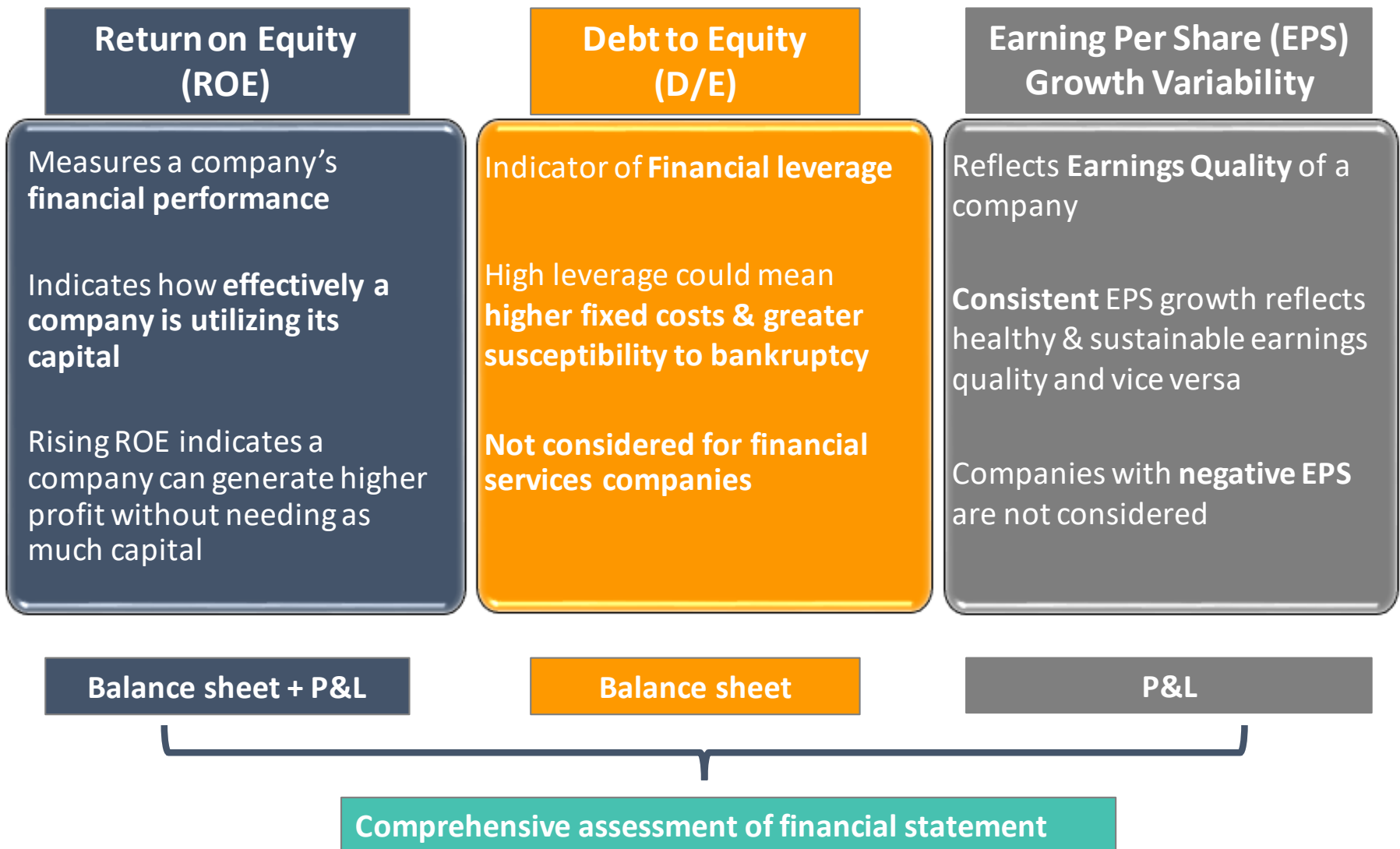
DSP Nifty Midcap 150 Quality 50 ETF - Passive Index with active selection



DSP Nifty Midcap 150 Quality 50 ETF - Explained



DSP Nifty Midcap 150 Quality 50 ETF – What are the quality filters?



Portfolio details & Insights



Nifty Midcap 150 Quality 50 – Top 10 holdings

Top 10 companies	Weights (%)
Page Industries Ltd.	4.6
Crompton Greaves Consumer Electricals	4.2
Tata Elxsi Ltd.	4.0
Mindtree Ltd.	3.6
Mphasis Ltd.	3.4
L&T Technology Services Ltd.	3.2
Supreme Industries Ltd.	2.9
Voltas Ltd.	2.8
Deepak Nitrite Ltd.	2.6
Atul Ltd.	2.5
TOTAL	33.8

Did you know?

Maximum weight of any stock in the index is lower of

- 5% or
- 5 times the weight of the stock in Nifty Midcap 150 index

Source – NSE. Data as on Oct 29, 2021

The sector(s)/stock(s)/issuer(s) mentioned above do not constitute any research report/recommendation and the schemes of DSP mutual fund may or may not have any future position in these sector(s)/stock(s)/issuer(s).

Nifty Midcap 150 Quality 50 – Sectors exposure

Sector	Weights (%)
IT	18.5
Consumer Goods	17.7
Industrial Manufacturing	15.9
Chemicals	9.8
Automobile	7.4
Energy	5.7
Fertilisers & Pesticides	5.6
Pharma	5.5
Textiles	4.6
Financial Services	4.1
Healthcare Services	2.2
Media & Entertainment	1.6
Metals	1.5
TOTAL	100.0

Did you know?

The quality filter has eliminated sectors that are generally highly leveraged like Construction, Telecom, Power, Services, etc. These find no representation in the Nifty Midcap 150 Quality 50 Index

Source – NSE. Data as on Oct 29, 2021

The sector(s)/stock(s)/issuer(s) mentioned above do not constitute any research report/recommendation and the schemes of DSP mutual fund may or may not have any future position in these sector(s)/stock(s)/issuer(s).

Nifty Midcap 150 Quality 50 Index is well diversified across sectors

Performance details



Rolling performance

Median Rolling Return

Tenure	Nifty Midcap 150 Quality 50 TRI	Nifty Midcap 150 TRI	Active Midcap funds average
1 Year	17.5%	14.4%	14.1%
3 Year	17.7%	13.0%	10.3%
5 Year	19.2%	14.6%	15.8%
10 Year	18.6%	13.9%	14.1%

Minimum Return

Tenure	Nifty Midcap 150 Quality 50 TRI	Nifty Midcap 150 TRI	Active Midcap funds average
1 Year	-52.7%	-67.2%	-62.6%
3 Year	-12.3%	-17.2%	-15.2%
5 Year	2.6%	-2.3%	-1.4%
10 Year	11.7%	7.3%	8.9%

Nifty Midcap 150 Quality 50 index has performed well on a rolling basis across periods indicating consistency

Data as on Oct 29,2021 ; Source – MFIE,NSE; **Past performance may or may not be sustained in the future and should not be used as a basis for comparison with other investments.** These figures pertain to performance of the index and do not in any manner indicate the returns/performance of the scheme. It is not possible to invest directly in Index.

Return distribution & Outperformance consistency

% times outperforming parent index & active midcap funds average

Tenure	% times outperforming	
	Midcap 150 TRI	Active midcap funds average
1 Year	66%	63%
3 Year	89%	89%
5 Year	100%	96%
10 Year	100%	100%

On 10 year basis, Nifty Midcap 150 Quality 50 has always outperformed its parent index as well as active midcap funds

Return distribution

Return Range	1 year		3 year		5 year		10 year	
	Nifty Midcap 150 Quality 50 TRI	Nifty Midcap 150 TRI	Nifty Midcap 150 Quality 50 TRI	Nifty Midcap 150 TRI	Nifty Midcap 150 Quality 50 TRI	Nifty Midcap 150 TRI	Nifty Midcap 150 Quality 50 TRI	Nifty Midcap 150 TRI
<0%	21%	28%	5%	12%	0%	1%	0%	0%
0-12%	20%	19%	21%	35%	11%	35%	0%	24%
>12%	59%	53%	74%	53%	89%	64%	100%	76%

Nifty Midcap 150 Quality 50 index had consistently outperformed on longer term with better return profile

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Performance across various market cycles

Bull Cycle

Period	Nifty Midcap 150 Quality 50 TRI	Nifty Midcap 150 TRI	Active Midcap funds Average
Apr 05 - Dec 07	165%	228%	210%
Apr 09 - Oct 10	223%	187%	164%
Sep 13 - Feb 15	116%	112%	128%
Feb 16 - Jan 18	75%	73%	54%

Bear Cycle

Period	Nifty Midcap 150 Quality 50 TRI	Nifty Midcap 150 TRI	Active Midcap funds Average
Jan 08 - Feb 09	-56%	-70%	-66%
Nov 10 - Dec 11	-26%	-37%	-28%
Feb 18 - Mar 20	-31%	-40%	-30%

Flat Cycle

Period	Nifty Midcap 150 Quality 50 TRI	Nifty Midcap 150 TRI	Active Midcap funds Average
Nov 10 - Apr 14	23%	1%	16%
Jul 18 - Feb 20	4%	0%	4%

Nifty Midcap 150 Quality 50 index has performed well across all cycles

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Positioning among active funds

Positioning of Nifty Midcap 150 Quality 50 Index among actively managed funds on 10 year returns

Top ranked fund



Quartile 1 – 98% of times

Quartile 2 – 2% of times

Quartile 3 - Never

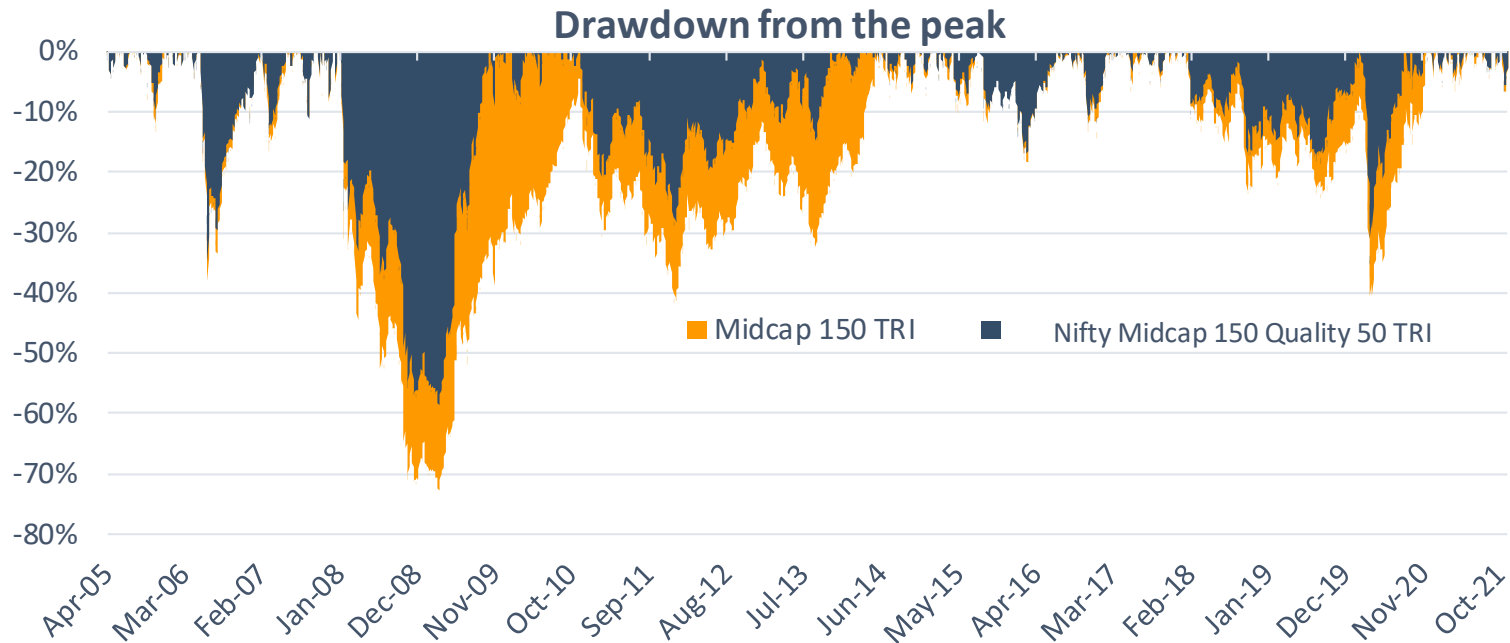
Quartile 4 - Never

Indicates Nifty Midcap 150 Quality 50 Index is top performer among active fund

Apr-15 Aug-15 Jan-16 Jun-16 Nov-16 Apr-17 Sep-17 Feb-18 Jul-18 Dec-18 May-19 Oct-19 Mar-20 Aug-20 Dec-20 May-21 Oct-21

10 year returns of Nifty Midcap 150 Quality 50 index has been in line/ greater than best performing active midcap fund most of the times

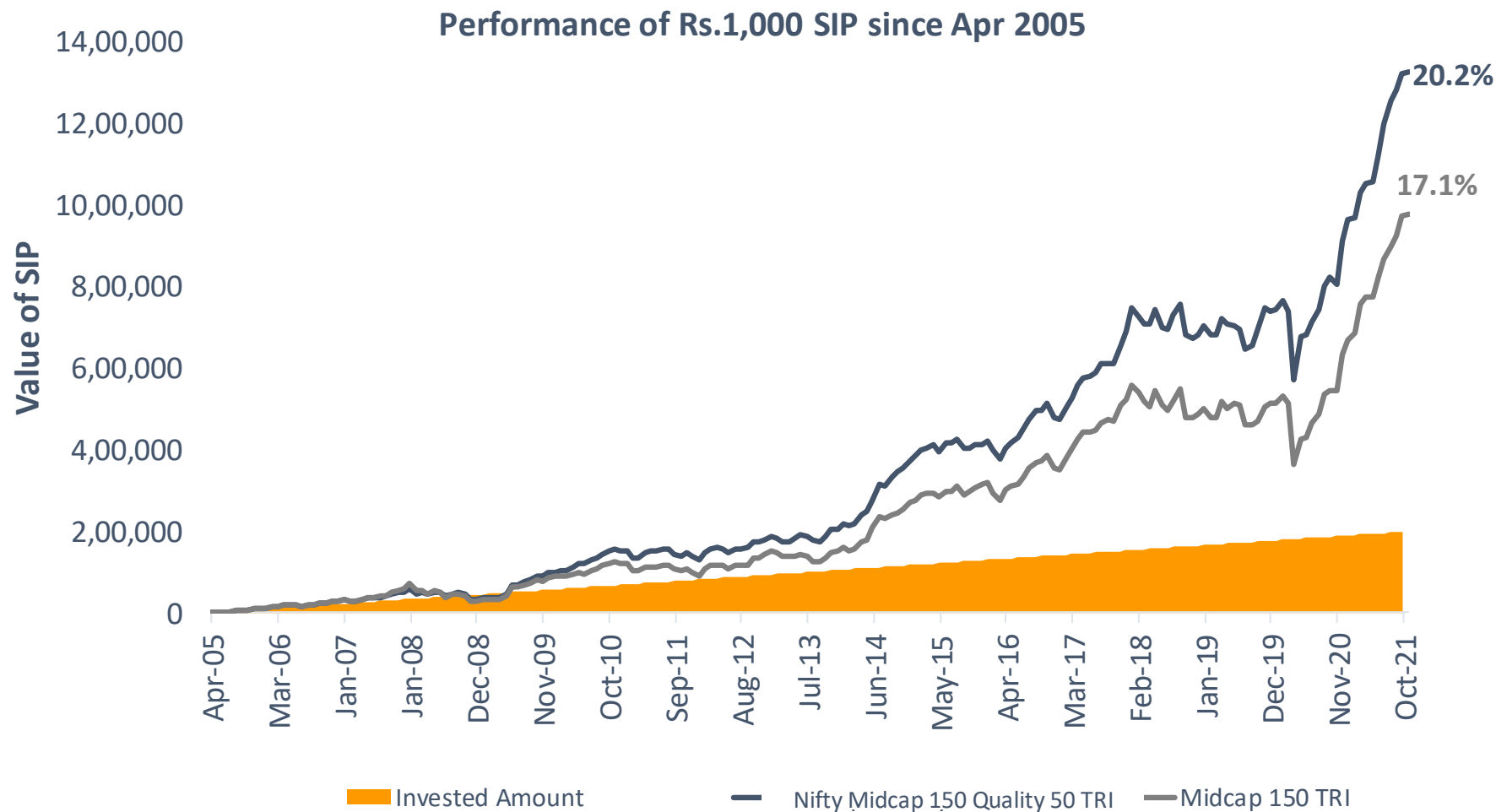
Risk statistics - Drawdown



% times drawdown is	Nifty Midcap 150 Quality 50 TRI	Nifty Midcap 150 TRI
< -15%	19%	45%
< -25%	8%	25%
< -35%	4%	10%
Max Drawdown	-58.5%	-72.9%

Nifty Midcap 150 Quality 50 index has lesser steep drawdowns compared to its parent index

SIP Performance



Nifty Midcap 150 Quality 50 index outperformed its parent index since inception through SIPs

Data as on 29 Oct 2021; Source – Internal, NSE; Index returns are on TRI basis. **Past performance may or may not be sustained in the future and should not be used as a basis for comparison with other investments.** These figures pertain to performance of the index and do not in any manner indicate the returns/performance of the scheme. It is not possible to invest directly in Index.

Investment Team & Process

Portfolio Management / Dealing / Analysis



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

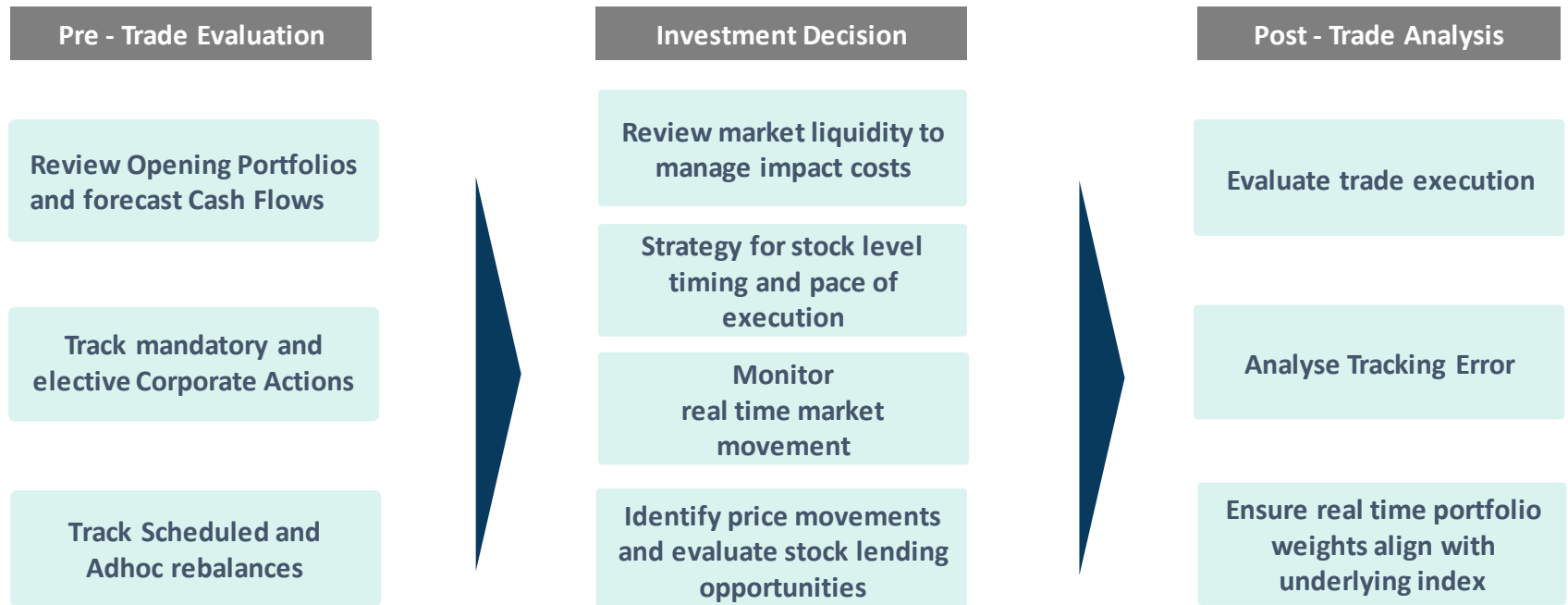


Diipesh Shah
(19)
Vice President



Neeti Shah
(2)
Assistant Manager

Passive Investments Process



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

Scheme Features

Benchmark	Nifty Midcap 150 Quality 50 TRI
Fund Manager	Mr. Anil Ghelani & Mr. Diipesh Shah
Asset Allocation	<p>Under normal circumstances, it is anticipated that the asset allocation of the Scheme shall be as follows:</p> <p>A. Equity and equity related securities of companies constituting NIFTY Midcap 150 Quality 50 Index : 95% to 100%</p> <p>B. Cash and Cash Equivalents/Money market Instruments with residual maturity not exceeding 91 days: 0% to 5%</p>
Minimum Application Amount (First purchase & subsequent purchase)	<p>During NFO period - Rs. 5,000 and in multiples of Re. 1/- thereof.</p> <ul style="list-style-type: none">• On Continuous basis – Directly with Fund: Authorized Participants and Large Investors can directly purchase / redeem in blocks from the fund in “Creation unit size” on any business day.• On the Exchange – The units of the Scheme can be purchased and sold in minimum lot of 1 unit and in multiples thereof.
Creation Unit	25,000 Units
NFO Details	NFO opens: 06 th December, 2021 NFO closes: 17 th December, 2021
Allotment NAV and Units	<p>The Allotment price for the NFO shall be approximately equal to 1/100 th of the value of Nifty Midcap 150 Quality 50 Index on the date of allotment.</p> <p>As the Stock Exchange(s) do not allow trading of fractional units, Units will be allotted only in integers by rounding off the Units allotted to the lower integer and the balance amount will be refunded to the investor.</p>

Use of ETFs for different investors



Individual Investors

- Diversification of portfolio resulting in reduction of stock specific risk at low cost.
- Allows customization in investor's portfolio consistent with their financial needs, risk tolerance & investment horizon.



FPIs, Institutions, PF, Insurance

- Allows easy & convenient asset allocation to broad segments of equity markets.
- Excellent hedging and liquidity management vehicle.
- Cash equitisation at low cost.



Arbitrageurs

- Low impact cost to carry out arbitrage between the cash & futures market.
- Can be used to cover option strategies on the Index.

One stop solution to the various needs of investors

Disclaimers

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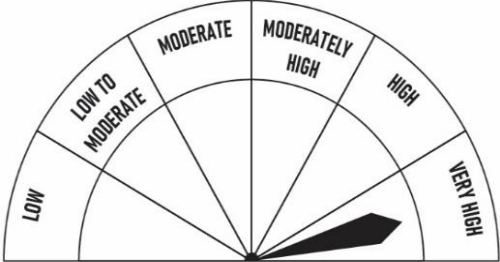
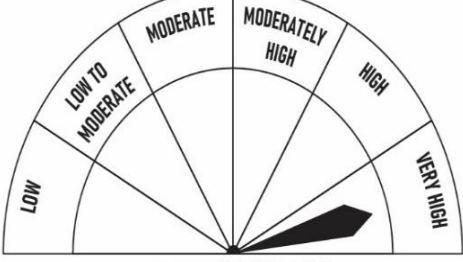
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Mutual Fund investments are subject to market risks, read all scheme related documents carefully.

Product Labelling & Suitability

RISKOMETER	
DSP NIFTY MIDCAP 150 QUALITY 50 ETF (An open-ended scheme replicating/tracking Nifty Midcap 150 Quality 50 Index)	This product is suitable for investor who are seeking* <ul style="list-style-type: none"> Long-term capital growth Investment in equity and equity related securities covered by Nifty Midcap 150 Quality 50 Index, subject to tracking error.
DSP Nifty Midcap 150 Quality 50 ETF	Benchmark - Nifty Midcap 150 Quality 50 TRI
 <p>RISKOMETER</p> <p>INVESTORS UNDERSTAND THAT THEIR PRINCIPAL WILL BE AT VERY HIGH RISK</p>	 <p>RISKOMETER</p> <p>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

MUTUAL FUND

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