

Mirae Asset Nifty 100 Low Volatility 30 ETF

(NSE: LOWVOL BSE: 543858)

(An open-ended scheme replicating/ tracking Nifty 100 Low Volatility 30 Index)

Executive Summary

- **Companies with lower historical volatility are likely to perform better** than their more volatile counterparts over time especially due to lower downside movement.
- The **Mirae Asset Nifty 100 Low Volatility 30 ETF** replicates the Nifty 100 Low Volatility 30 index which tracks the performance of 30 least volatile companies in the NIFTY 100 Index which **represent large market capitalisation segment**.
- The index **provides alternate sectoral exposure** which is different than Nifty 100 Index. *(Refer Table 1)*
- NIFTY100 Low Volatility 30 portfolio has **consistently outperformed** its parent NIFTY 100 index across all investment horizons and in **10/19 calendar years** since 2006. *(Refer Table 2 & 3)*
- Nifty 100 Low Volatility 30 achieved higher risk-adjusted returns as compared to NIFTY 100 and Nifty 50 indices and witnessed lower drawdowns during phases of market downturn. *(Refer Table 5)*
- The index has lower drawdowns in 16 out of 19 calendar years v/s Nifty 100 Index since 2006. *(Refer Table 5)*

Why Low Volatility?

- Low volatility strategies offer a defensive investment approach and target securities that exhibit less price volatility than the broader equity market.
- They might be lower a portfolio's sensitivity to movements in the overall stock market and fall significantly less in down markets, thereby reducing its overall volatility and enhancing risk-adjusted returns over the long term.
- Low-volatility investing works on the idea that low-volatility stocks cushion the potential damage during any sudden market downturn due to any catastrophic event.
- The prospect of achieving higher returns without taking the comparable risk associated with traditional market cap weighted strategies is one of the prominent reasons that low volatility-based factor investing serves an ideal passive investment tool for prudent investors who are concerned about risk-adjusted returns.

Nifty 100 Low Volatility 30 Index *(Passive exposure to least volatile stocks in large-cap segment)*

- The NIFTY100 Low Volatility 30 Index – a focused equity index that tracks performance of 30 least volatile companies in the NIFTY 100 Index which represent large market capitalisation segment.
- Volatility is measured as standard deviation of stock returns over previous one-year period. Constituents are weighted relative to the inverse of their corresponding volatility, with the least volatile stocks receiving the highest weights.

- The low volatility index, in back-tested results, has given higher returns and lower risk as compared to NIFTY 100 – its parent index, over longer time horizons.
- Unlike Nifty 100 and other broad market indices where selection and weighing is based on market cap, this index falls under the category of smart beta and factor index as the selection of securities and its weights in portfolio are based on low volatility.

(Source: NSE Indices; Data as on Dec 31, 2024; Refer: <https://www.niftyindices.com/resources/index-methodology> for more information)

Sector-level Distribution (in %)

Sector	Nifty 100 Low Volatility 30 Index	Nifty 50 Index	Nifty 100 Index	Nifty 500 Index
Fast Moving Consumer Goods	18.3%	8.0%	8.1%	6.9%
Financial Services	16.8%	34.6%	32.6%	29.1%
Healthcare	17.5%	4.2%	4.4%	6.6%
Information Technology	12.7%	14.1%	11.8%	10.4%
Automobile	11.9%	7.4%	7.0%	6.8%
Oil & Gas	3.4%	10.0%	9.1%	7.3%
Consumer Durables	7.0%	2.2%	2.2%	3.1%
Construction	2.7%	4.0%	3.3%	3.0%
Construction Materials	3.3%	2.1%	2.2%	2.0%
Chemicals	3.0%	X	0.3%	2.1%

*Data as on Dec 31, 2024. National Stock Exchange (NSE). 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.

- Nifty 100 Low Volatility 30 Index seeks to provide exposure to companies belonging to sectors which are **relatively less risky than the broad-market & may provide a safety net during market corrections**
- The index has a fairly diversified portfolio spread across 10 sectors. It has **FMCG (18.3%), Healthcare (17.5%), Financial Services (16.8%), Information Technology (12.7%), and Automobile (6.9%)** as the top 5 sectors with a combined weight of **77.2%**.
- Distinct sectorial exposure provided by the Nifty 100 Low Volatility 30 Index complements and doesn't overlap with the underlying exposure provided by Nifty 50 Index and Nifty 500 Index.

Performance Comparison:

Historical Performance as on Dec 31, 2024

Period	Nifty 100 Low Volatility 30 Index	Nifty 100 Index	Nifty 50 Index	Nifty 500 Index
15 Years	15.2%	12.4%	12.0%	12.8%
10 Years	14.6%	12.8%	12.5%	14.0%
7 Years	14.8%	13.4%	13.6%	14.3%
5 Years	18.5%	16.1%	15.5%	19.0%
3 Years	14.8%	12.8%	12.2%	15.4%
1 Year	12.4%	13.0%	10.1%	16.2%
6 Months	0.5%	-2.2%	-1.6%	-1.2%
1 Month	-0.8%	-2.2%	-2.0%	-1.4%

*Data as on Dec 31, 2024. National Stock Exchange (NSE), **Past performance may or may not sustain in future.** The index return is in Total Return Variant. The data shown above pertains to the Index and does not in manner indicate performance of any scheme of the Fund Returns above 1 years are more are Compounded annual growth rate (CAGR) returns and below 1 year are absolute returns.

- Over the past 15 years, the Nifty 100 Low Volatility 30 Index has generated a return of 15.2%, it has outperformed large cap segments of the broad market. (Refer above performance table)
- Over the past 15 years, the Nifty 100 Low Volatility 30 Index has generated an **alpha of 320 bps** over Nifty 50 Index and **280 bps** over Nifty 100 Index.
- In the past 1 year, the index has marginally underperformed Nifty 100 Index, owing to poor quarterly results of FMCG sector (Fast Moving Consumer Goods).
- Since 2006, Nifty 100 Low Volatility 30 Index has outperformed its parent Nifty 100 index in 10/19 calendar years.
- Low volatility factor has likely performed relatively well during turbulent markets most of the times providing a more robust portfolio when it is needed most.
- **During turbulent markets**, especially calendar years **2008-2011 (sub-prime crisis & recovery)**, **2018 (banking crisis)**, **2020 (COVID-19 pandemic)**, Nifty 100 Low Volatility 30 Index has outperformed Nifty 50 and Nifty 100 Index. It has also done well in flattish markets like 2013, 2015 (as compared to broad market index). It has relatively underperformed in the bull market of 2007, 2017 and 2021.

Calendar Year Returns

Calendar Year	Nifty 100 Low Volatility 30 Index	Nifty 50 Index	Nifty 100 Index	Nifty 500 Index
2006	43.3%	41.9%	40.2%	28.5%
2007	31.5%	56.8%	59.5%	78.2%
2008	-42.3%	-51.3%	-53.1%	-64.9%
2009	92.9%	77.6%	84.9%	113.9%
2010	25.5%	19.2%	19.3%	20.1%
2011	-12.0%	-23.8%	-24.9%	-31.0%
2012	32.1%	29.4%	32.5%	46.7%
2013	6.6%	8.1%	7.9%	-1.3%
2014	36.8%	32.9%	34.9%	62.7%
2015	9.8%	-3.0%	-1.3%	9.7%
2016	3.1%	4.4%	5.0%	6.5%
2017	30.3%	30.3%	32.9%	55.7%
2018	7.4%	4.6%	2.6%	-12.6%
2019	5.2%	13.5%	11.8%	0.6%
2020	24.3%	16.1%	16.1%	25.6%
2021	24.2%	25.6%	26.4%	48.2%
2022	2.0%	5.7%	4.9%	3.9%
2023	31.9%	21.3%	21.2%	26.9%
2024	12.4%	10.1%	13.0%	16.2%

**Data as on Dec 31, 2024. National Stock Exchange (NSE), Past performance may or may not sustain in future. The index return is in Total Return Variant. The data shown above pertains to the Index and does not in manner indicate performance of any scheme of the Fund.*

Risk Numbers:

Volatility Comparison of Nifty 100 Low Volatility 30 Index v/s Broad-based Indices

Period	Nifty100 Low Volatility 30 Index	NIFTY 100 Index	NIFTY 50 Index	Nifty 500 Index
15 Years	13.6%	16.6%	16.5%	16.6%
10 Years	13.9%	16.5%	16.4%	16.5%
7 Years	14.0%	16.7%	16.6%	16.7%
5 Years	15.1%	18.2%	18.0%	18.2%

3 Years	12.0%	14.4%	14.5%	14.4%
1 Year	11.4%	13.9%	14.5%	13.9%
6 Months	10.9%	12.3%	12.6%	12.3%
1 Month	8.7%	10.6%	10.5%	10.6%

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- True to the label, the Nifty 100 Low Volatility 30 index has been the least volatile one among all the broad-based indices across all investment horizons. Over the long term, this index has generated better performance and also benefited from low volatility.

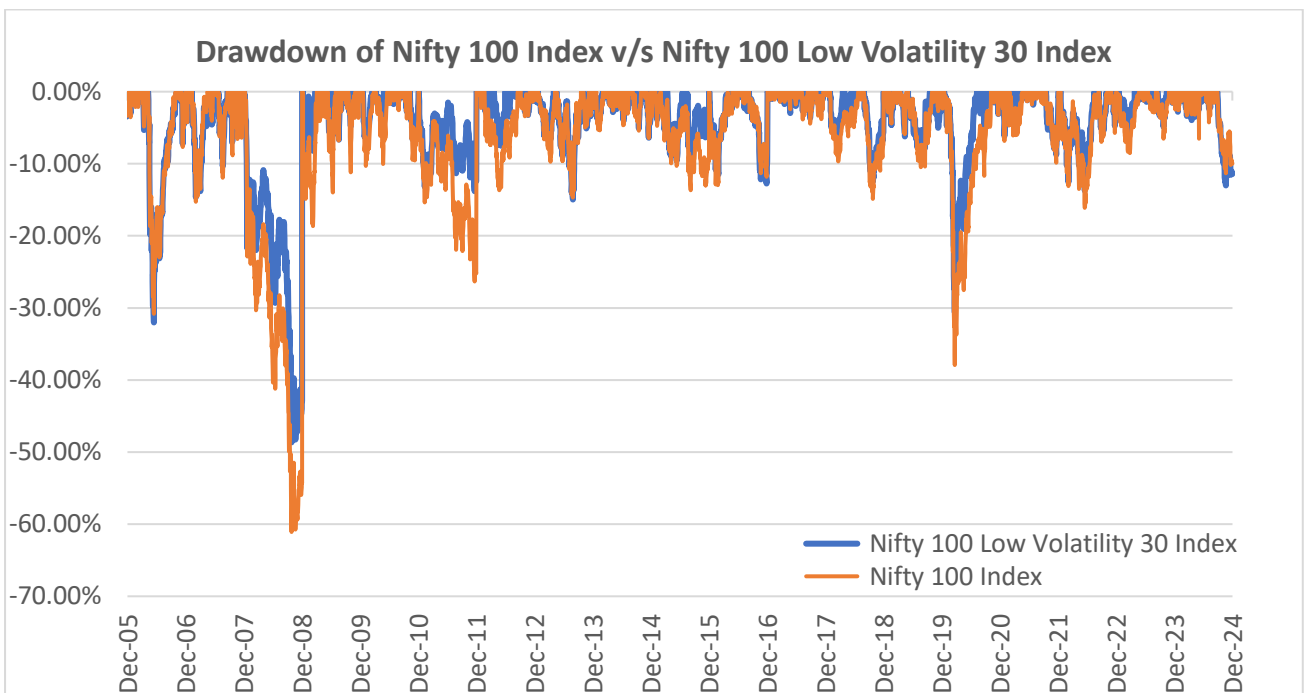
Return-to-Risk Ratio

Period	Nifty100 Low Volatility 30 Index	NIFTY 100 Index	NIFTY 50 Index	Nifty 500 Index
15 Years	1.1	0.7	0.7	0.8
10 Years	1.0	0.8	0.8	0.9
7 Years	1.0	0.8	0.8	0.8
5 Years	1.2	0.9	0.8	1.0
3 Years	1.2	0.9	0.9	1.1
1 Year	1.1	0.9	0.7	1.1
6 Months	0.0	-0.1	-0.1	-0.1
1 Month	-0.1	-0.1	-0.1	-0.1

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Higher returns of NIFTY100 Low Volatility 30 coupled with lower volatility in comparison to NIFTY 100 has resulted in higher return-risk ratio of NIFTY100 Low Volatility 30 across various investment horizons (> 1 Year) versus large cap indices Nifty 100 and Nifty 50 Index

Max Drawdown



Calendar Year Drawdown	2007	2008	2009	2010	2011	2012	2013	2014	2015
Nifty 100 Low Volatility 30 Index	-14.7%	-48.7%	-8.2%	-6.6%	-13.8%	-7.5%	-15.0%	-6.4%	-9.6%
Nifty 100 Index	-15.3%	-61.1%	-18.7%	-10.3%	-26.4%	-13.7%	-14.7%	-6.4%	-13.7%
Calendar Year Drawdown	2016	2017	2018	2019	2020	2021	2022	2023	2024
Nifty 100 Low Volatility 30 Index	-12.8%	-3.7%	-12.5%	-7.9%	-30.6%	-8.7%	-13.7%	-5.4%	-13.0%
Nifty 100 Index	-13.0%	-4.4%	-14.9%	-10.5%	-37.9%	-9.9%	-16.1%	-8.5%	-11.3%

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- On overall basis, out of last 19 calendar years, NIFTY 100 Low Volatility 30 recorded lower drawdowns compared to other broad-based indices. The index had just 3 years in last 17 years, where its drawdown (marginally) was higher than its parent Nifty 100 Index (refer above table)

Why Mirae Asset Nifty 100 Low Volatility 30 ETF?

- Mirae Asset Nifty 100 Low Volatility 30 ETF replicates the Nifty 100 Low Volatility 30 index which tracks the performance of 30 least volatile companies in the NIFTY 100 Index which represent large market capitalisation segment.
- Core Portfolio Allocation**
 - Entering 2025, markets have corrected almost 12% from the top and uncertainties prevails on the backdrop of weak corporate earnings and slowdown in consumption. investor can consider low-volatility strategy to navigate this volatility and uncertainty in Indian equity markets.
 - The large-cap exposure creates a relatively stable portfolio with higher allocations to less cyclical segments which tend to correct less during a market downturn.
 - It is prudent strategy for long term core allocation by investors who are cautious about portfolio volatility, downside risk and are keen to generate wealth with lower risk in the long run.
- Mirae Asset ETF Advantage**
 - Continuous Liquidity:** Market makers provide liquidity on exchange at all times around latest NAV (i-NAV), irrespective of market volatility. (Refer: <https://www.miraeassetmf.co.in/transact-in-etf> for further information)
 - Relatively low-cost option:** At a Total Expense Ratio (TER) of 29 bps, the ETF provides investor exposure to 30 least-volatile stocks in the large-cap segment relatively lower than industry average of 33 bps (Source: ACEMF; Data as on Dec 31, 2024)
 - Exclusive market maker:** Mirae Asset Capital Market is an exclusive market marker for ETFs on providing quotes at lowest effective spread on exchange at all times.

Source: Mirae Asset Internal Research, Data as on Dec 31, 2024;

Portfolio constituents of Nifty 100 Low Volatility 30 Index

No.	Company Name	Holding(%)	No.	Company Name	Holding(%)
1	Sun Pharmaceutical Industries	4.1%	16	HCL Technologies	3.3%
2	ITC	4.0%	17	UltraTech Cement	3.3%
3	Nestle India	3.9%	18	Kotak Mahindra Bank	3.3%
4	Dr. Reddy's Laboratories	3.9%	19	Titan Company	3.3%
5	Hindustan Unilever	3.8%	20	Infosys	3.2%
6	Asian Paints	3.7%	21	Cipla	3.1%
7	ICICI Bank	3.6%	22	SBI Life Insurance Company	3.1%
8	Tata Consultancy Services	3.5%	23	Dabur India	3.0%
9	Britannia Industries	3.5%	24	Bosch	3.0%
10	Bajaj Finserv	3.5%	25	Pidilite Industries	3.0%
11	Apollo Hospitals Enterprise	3.5%	26	Torrent Pharmaceuticals	2.9%
12	Reliance Industries	3.4%	27	Hero MotoCorp	2.9%
13	Maruti Suzuki India	3.4%	28	Larsen & Toubro	2.7%
14	Bharti Airtel	3.4%	29	Wipro	2.6%
15	HDFC Bank	3.4%	30	Bajaj Auto	2.6%

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Mutual fund investments are subject to market risks, read all scheme related documents careful.

PRODUCT LABELLING

Mirae Asset Nifty 100 Low Volatility 30 ETF is suitable for investors who are seeking*

- Returns that commensurate with the performance of Nifty 100 Low Volatility 30 Total Return Index, subject to tracking error over long term
- Investment in equity securities covered by Nifty 100 Low Volatility 30 Total Return Index

*Investors should consult their financial advisors if they are not clear about the suitability of the product.

