

Mirae Asset Nifty 100 Low Volatility 30 ETF

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

(NSE Symbol : LOWVOL, BSE Code: 543858)

As on 31st January 2025

WHAT IS SMART-BETA INVESTMENT ?

Evolution of Indexing

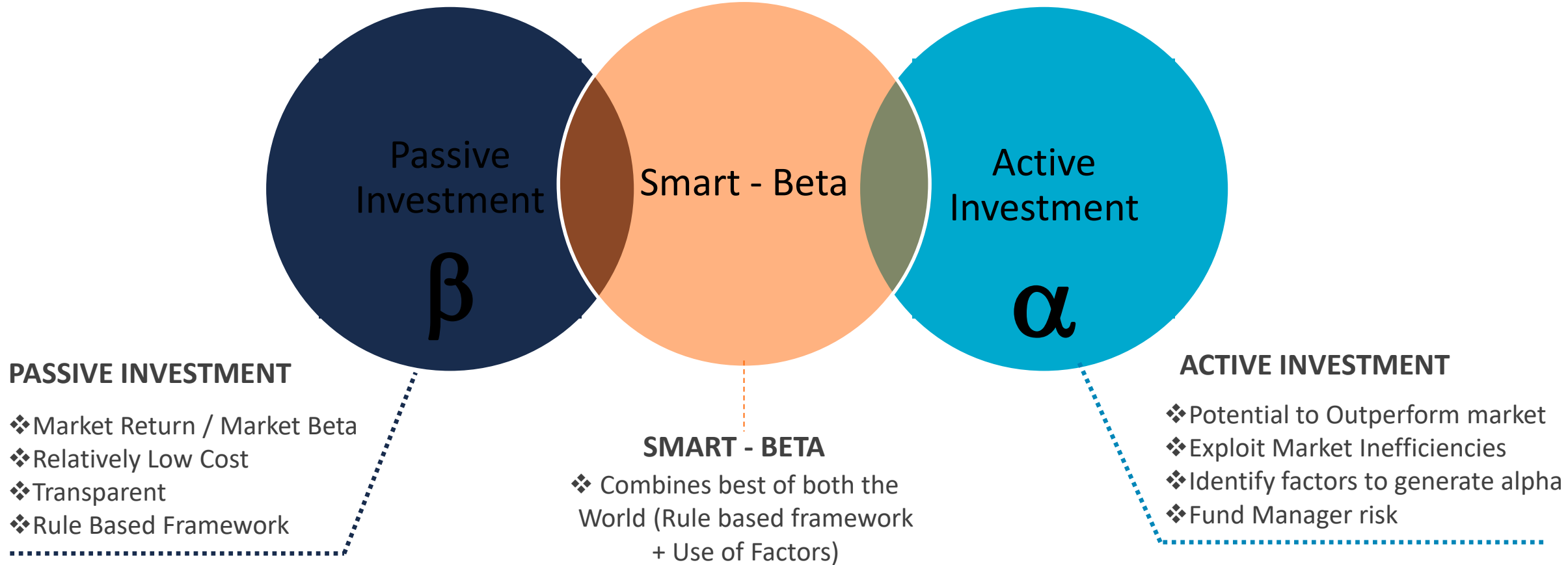


Over time indices have evolved from just being a mere representation for benchmarking to defining strategies to generate alpha over market cap weighted index.



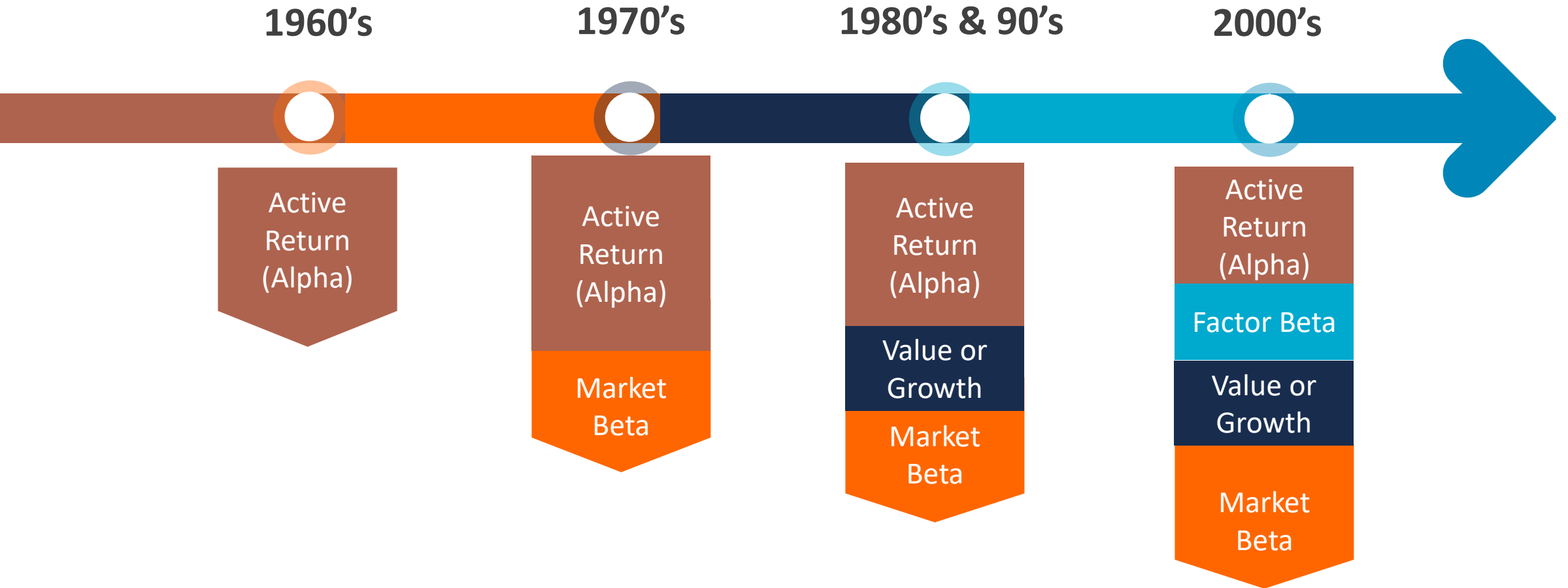
Source: as on 31st Jan'25, FTSE, BlackRock, MSCI Indices, NSE Indices Limited, Van Eck.

Smart - Beta: Aims to potentially combine the best of both world !



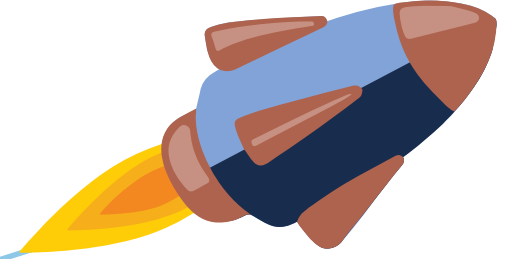
Smart Beta Strategies typically capture factor exposures using systematic, rules-based approaches in a cost effective manner

Evolving understanding of source of return across various periods



Identification of various factors as source of return has helped in building of Smart-Beta Products

Smart – Beta : ETFs are gaining popularity across the globe

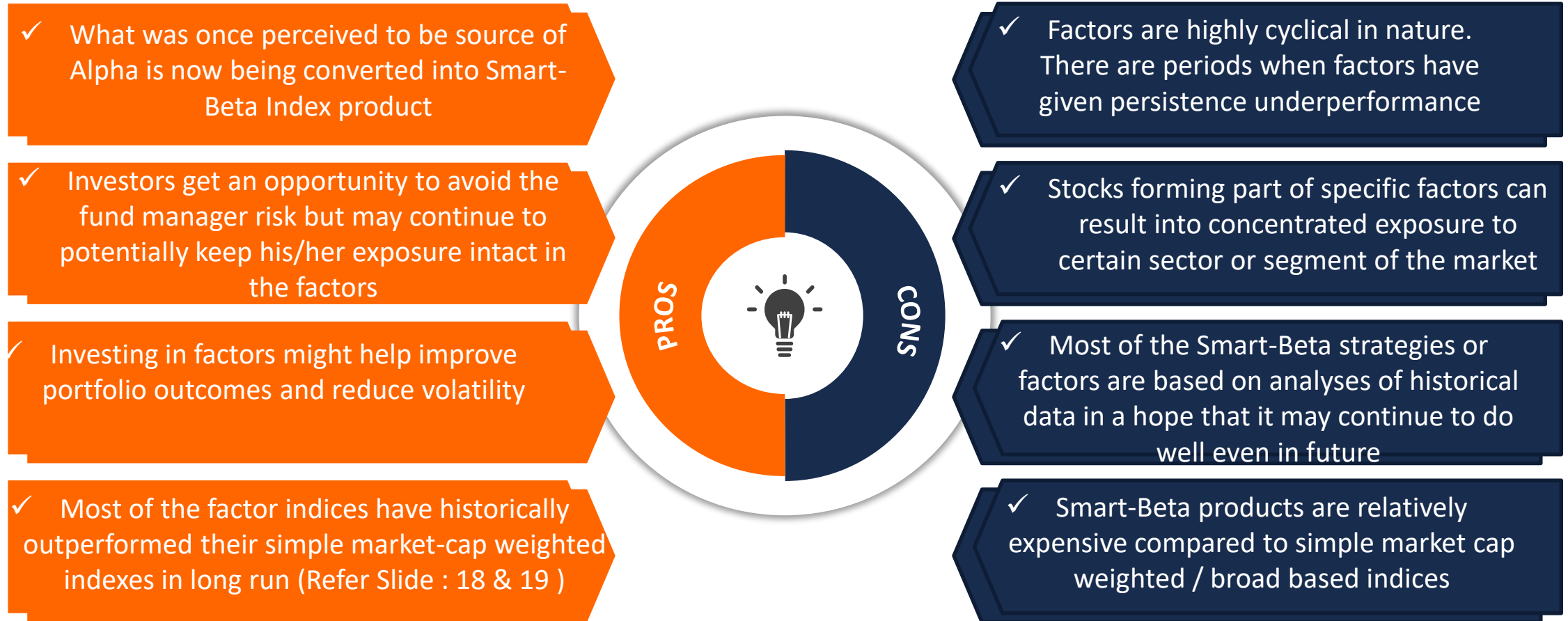


Smart Beta ETFs : \$1.3 Tn

- ❖ Total no. of ETF product based on plain vanilla market capitalization : 4,932
- ❖ Total no. of ETF product based on Smart-Beta strategies : 1,280
- ❖ Market-cap ETF 5 Year AUM Growth : 12.1%
- ❖ Smart-Beta ETF 5 Year AUM Growth : 16.0%

There were 1,280 Smart-Beta ETFs listed globally, with 2,655 listings, assets of \$1.30 Tn, from 201 providers listed on 49 exchanges in 38 countries at the end of March'24

Smart-Beta: Pros and Cons of Investment

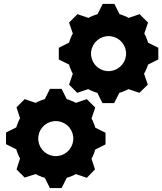


WHAT ARE FACTORS ?

What are factors ?



Factor can be thought of as any characteristic (trait) relating to a group of securities/portfolio that is important in explaining their returns and risk



Factors that are persistent over time and have strong explanatory power over a broad range of stocks and can be used to construct smart-beta products



There are two main types of factors: macroeconomic (capture broad risks across asset classes such as economic cycle, GDP, inflation, interest etc.) and style .

Factors investing is identifying and investing in such traits to target a desired performance profile

Factors : Different type of Style Factor in Equities



Low Volatility



Quality



Size



Value



Momentum



Growth



Dividend Yield



Alpha

Various Style Factors have helped in explaining equity return across time

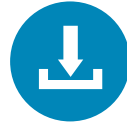
Systematic factors and their historical risks



VALUE

Description : Captures returns to stocks that have low prices relative to their fundamental value

When it is considered to work well ?* :
Works well in recovery market. Is typically cyclical in nature



LOW SIZE

Description : Captures returns of smaller firms (by market capitalization) relative to their larger peer

When it is considered to work well ?* :
Performs well in broader market well



MOMENTUM

Description : Reflects returns to stocks with stronger recent performance

When it is considered to work well ?* :
Performs well in bull market but may have higher drawbacks in turbulent market.



LOW VOLATILITY

Description : Captures returns to stocks with lower than average volatility, beta and /or idiosyncratic risk

When it is considered to work well ?* :
Performs relatively better in turbulent market. Typically exhibits lower drawdowns which also aids in long term performance



DIVIDEND YIELD

Description : Captures returns to stocks that have higher than average dividend yields

When it is considered to work well ?* :
Works well when market are expected to be range bound with focus to generate returns from dividends



QUALITY

Description : Captures returns to stocks that are characterized by low debt, stable earnings growth and other "quality" metrics

When it is considered to work well ?* :
Stable and robust, especially during bear market

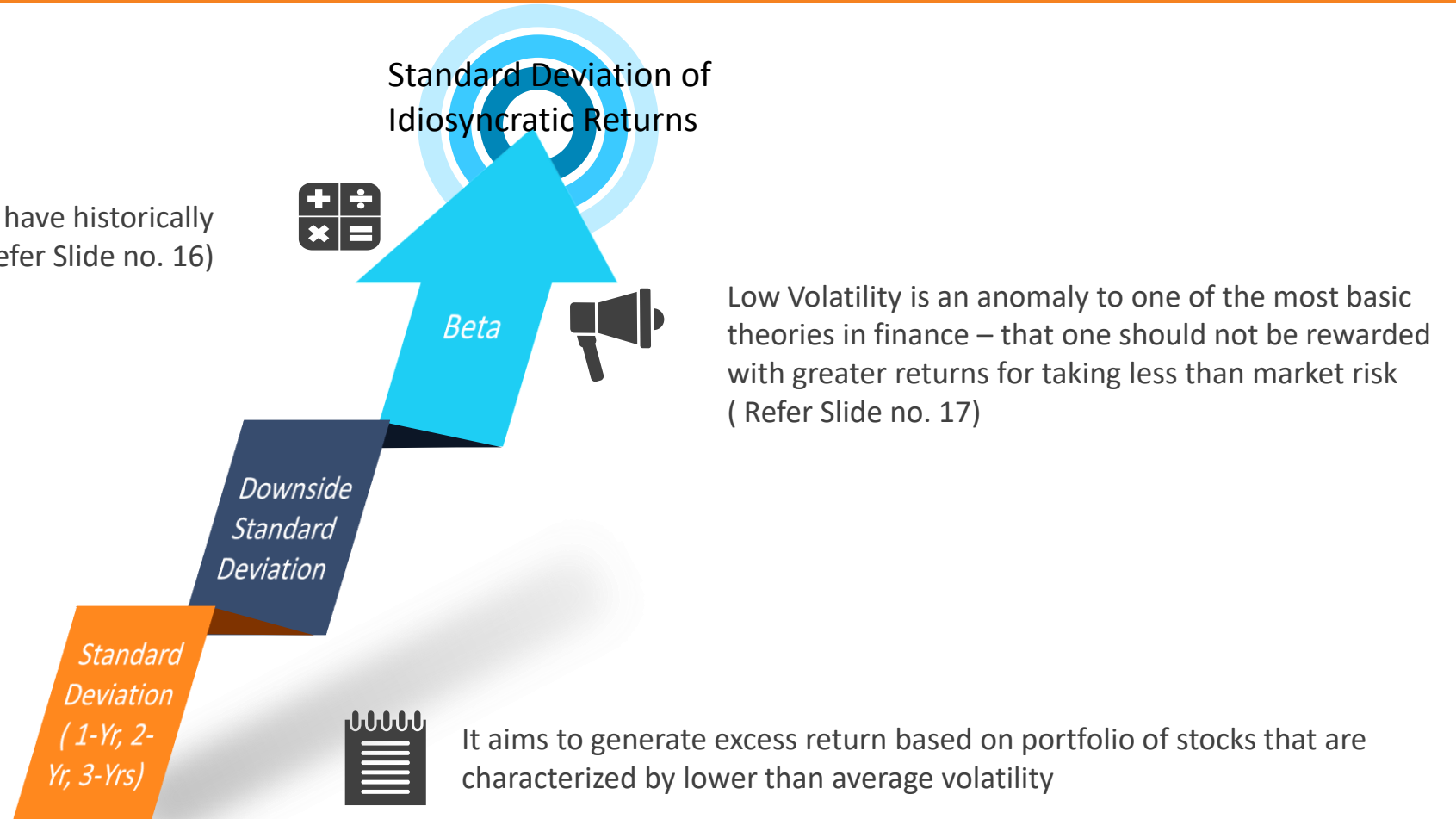


The aim of various factors to enable to generate potentially excess return over the market

Low Volatility Factor

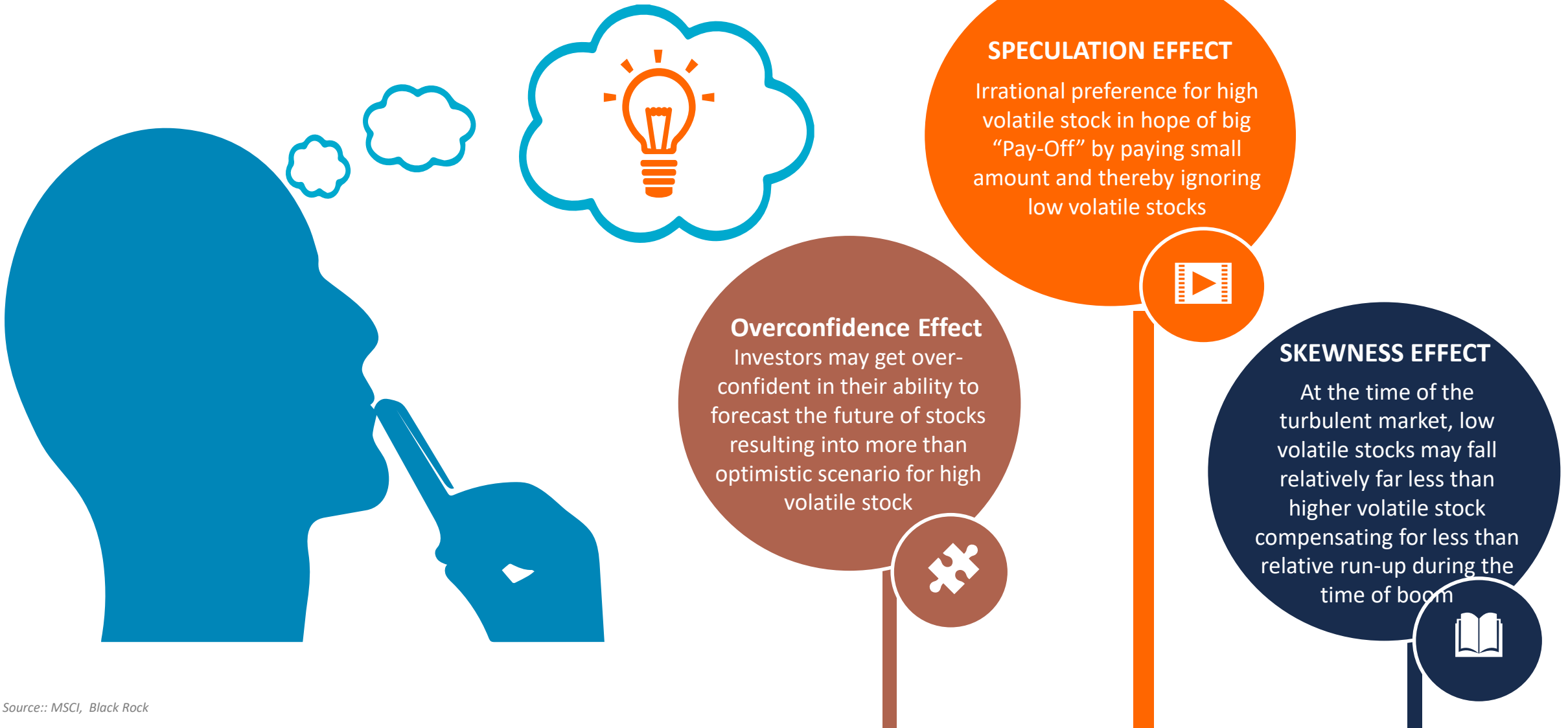
What is Low Volatility ?

Low Volatility is one of the few factors that have historically performed well in turbulent markets (Refer Slide no. 16)



Low Volatility is an anomaly to traditional finance and there are multiple ways of measuring minimum volatility

Why Low Volatility Works ?



Nifty 100 Low Volatility 30 Index

Nifty 100 Low Volatility Index : About Index

Nifty100 Low Volatility 30 Index aims to measure the performance of the low volatile securities in the large market capitalization segment

Eligible Universe



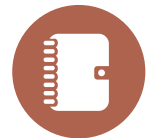
- ❖ Securities forming part of Nifty100 Index are eligible for inclusion in the index
- ❖ Securities should be available for trading in derivative segment (F&O)
- ❖ Securities should have a minimum listing history of 1 Year

Selection Criteria



- ❖ Stocks are assessed on the basis of volatility for index inclusion
- ❖ Volatility is calculated as the standard deviation of daily price return (log normal) for last 1 Year
- ❖ Eligible stocks are then ranked based on their volatility score, with stocks having lowest volatility getting a rank of 1
- ❖ Top 30 ranked stocks with least volatility form part of the index

Index Rebalancing & Weighing

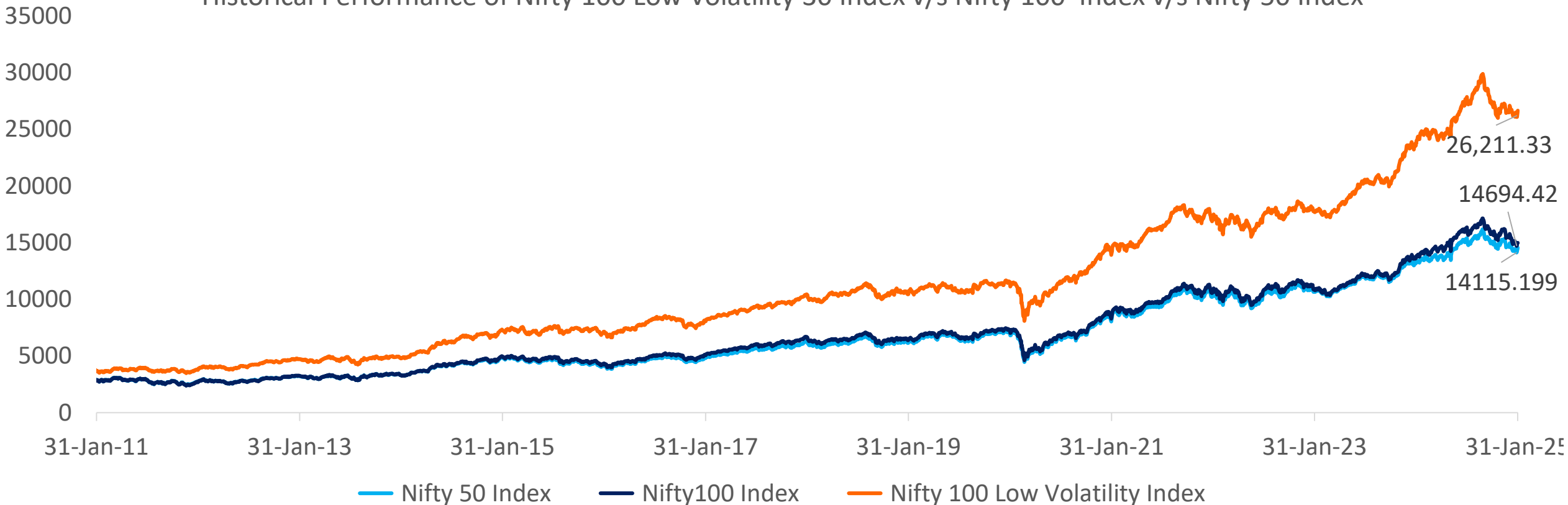


- ❖ Index is reviewed on quarterly basis
- ❖ At time of review, if the existing constituent of the index is ranked within top 60 based on the low volatility score, then the stock is retained in the index
- ❖ Weights of securities is based on volatility score



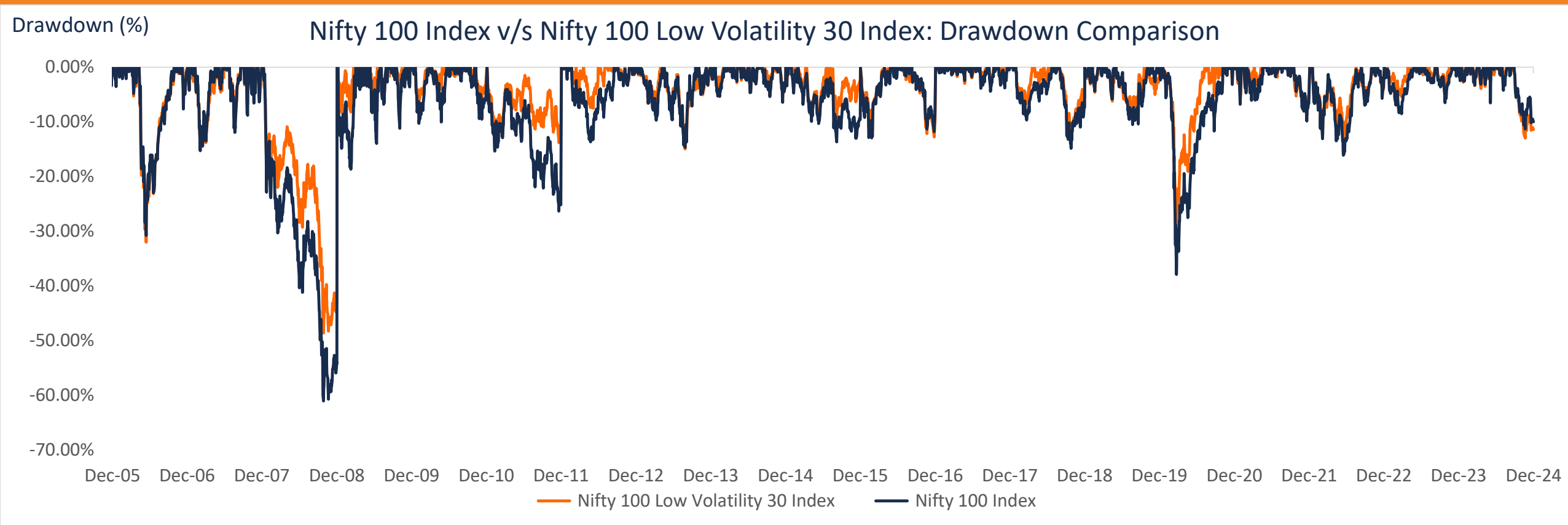
Nifty 100 Low Volatility 30 Index : Relatively Better Performer

Historical Performance of Nifty 100 Low Volatility 30 Index v/s Nifty 100 Index v/s Nifty 50 Index



Nifty 100 Low Volatility 30 Index has outperformed Nifty 100 Index and Nifty 50 Index over different time horizon

Nifty 100 Low Volatility 30 Index : A good fit for risk averse investors



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

Nifty 100 Low Volatility 30 Index has relatively lower drawdown as compared to other factors

Nifty 100 Low Volatility 30 Index : Periodic Performance & Volatility

Periodic Performance				
Period	Nifty 50 Index	Nifty 100 Index	Nifty 100 Low Volatility 30 Index	Nifty 100 Quality 30 Index
Since Inception	14.5%	14.7%	18.0%	14.1%
10 Years	11.7%	11.9%	13.9%	11.4%
7 Years	13.2%	13.0%	14.3%	12.7%
5 Years	16.4%	16.7%	18.7%	17.1%
3 Years	11.5%	11.8%	15.8%	15.0%
1 Years	9.7%	10.4%	13.1%	11.2%
6 Months	-4.4%	-6.3%	-4.3%	-7.3%
3 Months	-3.1%	-4.3%	-2.0%	-3.3%

Periodic Volatility				
Period	Nifty 50 Index	Nifty 100 Index	Nifty 100 Low Volatility 30 Index	Nifty 100 Quality 30 Index
Since Inception	21.5%	21.1%	17.2%	13.1%
10 Years	16.5%	16.4%	14.0%	14.9%
7 Years	17.6%	17.5%	14.7%	15.8%
5 Years	19.0%	18.8%	15.7%	16.8%
3 Years	13.9%	14.2%	11.9%	13.0%
1 Years	13.9%	14.6%	11.4%	12.9%
6 Months	13.1%	13.7%	11.3%	13.3%
3 Months	13.7%	14.1%	11.9%	14.0%


Nifty 100 Low Volatility 30 Index has outperformed Nifty 100 Index and Nifty 50 Index over different time horizon

Nifty 100 Low Volatility 30 Index : Calendar Year Returns

Calendar Year	Nifty 50 Index	Nifty 100 Index	Nifty 100 Low Volatility 30 Index	Nifty 100 Alpha 30 Index	Nifty 100 Quality 30 Index
2005	39.3%	38.1%	52.6%	41.0%	-
2006	41.9%	40.2%	43.3%	53.2%	-
2007	56.8%	59.5%	31.5%	85.9%	-
2008	-51.3%	-53.1%	-42.3%	-67.2%	-
2009	77.6%	84.9%	92.9%	61.6%	-
2010	19.2%	19.3%	25.5%	22.3%	24.8%
2011	-23.8%	-24.9%	-12.0%	-13.4%	-14.3%
2012	29.4%	32.5%	32.1%	34.4%	26.9%
2013	8.1%	7.9%	6.6%	9.6%	21.8%
2014	32.9%	34.9%	36.8%	32.5%	32.7%
2015	-3.0%	-1.3%	9.8%	15.8%	3.6%
2016	4.4%	5.0%	3.1%	5.5%	2.2%
2017	30.3%	32.9%	30.3%	51.4%	23.5%
2018	4.6%	2.6%	7.4%	0.7%	5.0%
2019	13.5%	11.8%	5.2%	10.4%	5.7%
2020	16.1%	16.1%	24.3%	23.7%	22.6%
2021	25.6%	26.5%	24.2%	41.1%	22.2%
2022	5.7%	4.9%	2.0%	-1.2%	-0.9%
2023	21.3%	21.2%	31.9%	19.5%	32.0%
2024	10.1%	28.4%	12.4%	25.8%	11.3%

Nifty 100 Low Volatility 30 Index has outperformed Nifty 100 Index in 10 / 20 Calendar Years

Nifty 100 Low Volatility 30 Index : Alternate Sectoral Exposure in Large Cap



Sectoral Exposure	Nifty 100 Low Volatility 30 Index	Nifty 50 Index	Nifty 100 Index
Fast Moving Consumer Goods	18.80%	8.01%	8.05%
Financial Services	17.33%	34.35%	32.51%
Healthcare	16.27%	3.91%	4.20%
Information Technology	12.45%	13.97%	11.93%
Automobile & Auto Components	11.99%	7.61%	7.23%
Consumer Durables	7.22%	2.35%	2.25%
Oil, Gas & Consumable Fuels	3.54%	10.43%	9.48%
Telecommunication	3.44%	4.13%	3.40%
Construction Materials	3.30%	2.12%	2.31%
Chemicals	2.93%	-	0.34%
Construction	2.62%	3.98%	3.28%

Nifty 100 Low Volatility 30 Index is skewed towards Fast Moving Consumer Goods (FMCG) sector and Healthcare compared to Nifty 50 Index and Nifty 100 Index

Nifty 100 Low Volatility 30 Index : Reconstitution of Index



Nifty 100 Low Volatility 30 Index aims to capture the companies that are characterized by lower than average volatility

Year	Month	Companies Included	Companies Excluded
2024	June	BHARTI AIRTEL LTD	POWER GRID COPORATION OF INDIA LTD
2024	March	TITAN COMPANY LTD	INDIAN OIL CORPORATION LTD
2023	September	BOSCH LTD	INFOSYS LTD
2023	June	ICICI BANK LTD	HDFC LIFE INSURANCE COMPANY LTD
		TORRENT PHARMA LTD	TECH MAHINDRA LTD
2023	March	SUN PHARMA LTD	ACC LTD
2021	December	BERGER PAINTS INDIA LTD	COAL INDIA LTD
2021	September	SBI LIFE INSURANCE CO.LTD	ALKEM LABORATORIES LTD
2021	June	HDFC LIFE INSURANCE CO. LTD	BOSCH LTD
2021	March	ALKEM LABORATORIES LTD	HDFC LTD
2020	December	INDIAN OIL COPORATION LTD	MAHINDRA & MAHINDRA LTD

Nifty 100 Low Volatility 30 Index : Portfolio



No.	Company Name	Holding	No.	Company Name	Holding
1.	NESTLE INDIA LTD	4.16%	16.	APOLLO HOSPITAL ENTERPRISE LTD	3.24%
2.	HINDUSTAN UNILEVER LTD	4.10%	17.	SBI LIFE INDUSTANCE COMPANY LTD	3.22%
3.	MARUTI SUZUKI INDIA LTD	4.00%	18.	ULTRATECH CEMENT LTD	3.22%
4.	BAJAJ FINSERV LTD	3.87%	19.	HDFC BANK LTD	3.19%
5.	BRITANNIA INDUSTRIES LTD	3.84%	20.	DABUR INDIA LTD	3.18%
6.	ASIAN PAINTS LTD	3.79%	21.	INFOSYS LTD	3.14%
7.	ITC LTD	3.78%	22.	HERO MOTOCORP LTD	3.05%
8.	SUN PHARMACEUTICAL INDUSTRIES LTD	3.76%	23.	PIDILITE INDUSTRIES LTD	2.99%
9.	TITAN COMPANY LTD	3.54%	24.	HCL TECHNOLOGIES LTD	2.92%
10.	RELIANCE INDUSTRIES LTD	3.52%	25.	CIPLA LTD	2.91%
11.	TATA CONSULTANCY SERVICES LTD	3.50%	26.	TORRENT PHARMACEUTICALS LTD	2.79%
12.	ICICI BANK LTD	3.49%	27.	BAJAJ AUTO LTD	2.72%
13.	KOTAK MAHINDRA BANK LTD	3.48%	28.	WIPRO LTD	2.65%
14.	BHARTI AIRTEL LTD	3.42%	29.	LARSEN & TOUBRO LTD	2.52%
15.	DR. REDDY'S LABORATORIES LTD	3.35%	30.	BOSCH LTD	2.50%

Nifty 100 Low Volatility 30 Index has a well diversified portfolio with lower stock concentration

Why Nifty 100 Low Volatility 30 Index ?

Nifty 100 Low Volatility 30 Index has relatively lower draw down compared to broad market as well other factor indices, thereby providing downside protection

Nifty 100 Low Volatility 30 Index provides alternate sectoral exposure which is different than Nifty 100 Index

In the long – term, it may potentially used for investment as Nifty 100 Low Volatility 30 Index has generated higher risk-adjusted return over longer horizon

Nifty 100 Low Volatility 30 Index has outperformed actively managed large cap funds

In short – term, it may be used an investment during the times of bear market / choppy markets (Refer Slide – 17)

While, Nifty 100 Low Volatility 30 Index has done well historically over long-term horizon, however it is exposed to cyclicality i.e. period of underperformance. This fund may be used by investors who are cautious about portfolio volatility, downside risk and are keen to generate long term wealth with lower risk.



MIRAE ASSET NIFTY 100 LOW VOLATILITY 30 ETF

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



Benchmark

NIFTY 100 LOW
VOLATILITY 30 TRI

Expense Ratio

29 Bps



Authorized Participants

Kanjalochna Finserve Pvt Ltd
East India Securities Ltd
Mirae Asset Capital Markets (India) Pvt Ltd
Parwati Capital Market Pvt Ltd
Vaibhav Stock & Derivatives Broking Pvt Ltd

Symbol

NSE : LOWVOL
BSE : 543858
Bloomberg : LOWVOL IN EQUITY



Creation Units Size

On exchange = in multiple of 1 units
Directly with AMC = minimum amount of Rs.
25 Crs for transaction directly with AMC
Authorized Participants = in multiple of
30,000 units

Others

NAV (as on Jan 31, 2025) –
195.7190(per unit)
Live INAV available on
website



Disclaimers

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Statutory Details: Trustee: Mirae Asset Trustee Company Private Limited; Investment Manager: Mirae Asset Investment Managers (India) Private Limited (AMC); Sponsor: Mirae Asset Global Investments Company Limited.

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

For further information about other schemes (product labelling and performance of the fund) please visit the website of the AMC: www.miraeassetmf.co.in

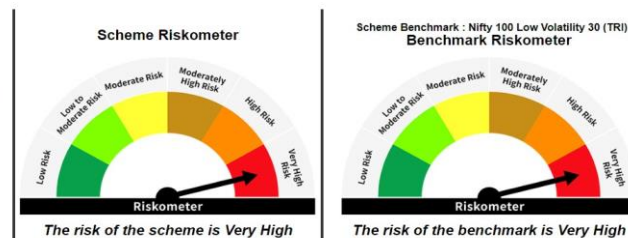
Please consult your financial advisor or mutual fund distributor before investing

PRODUCT LABELLING

Mirae Asset Nifty 100 Low Volatility 30 ETF
This product 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.



THANK YOU
