

**IF HEALTH IS WEALTH,
ARE YOU MAKING
THE MOST OF IT?**

Aditya Birla Sun Life Nifty Healthcare ETF

(An open ended exchange traded fund tracking Nifty Healthcare TRI)

NFO Opening Date : 8th October 2021

NFO Closing Date : 20th October 2021

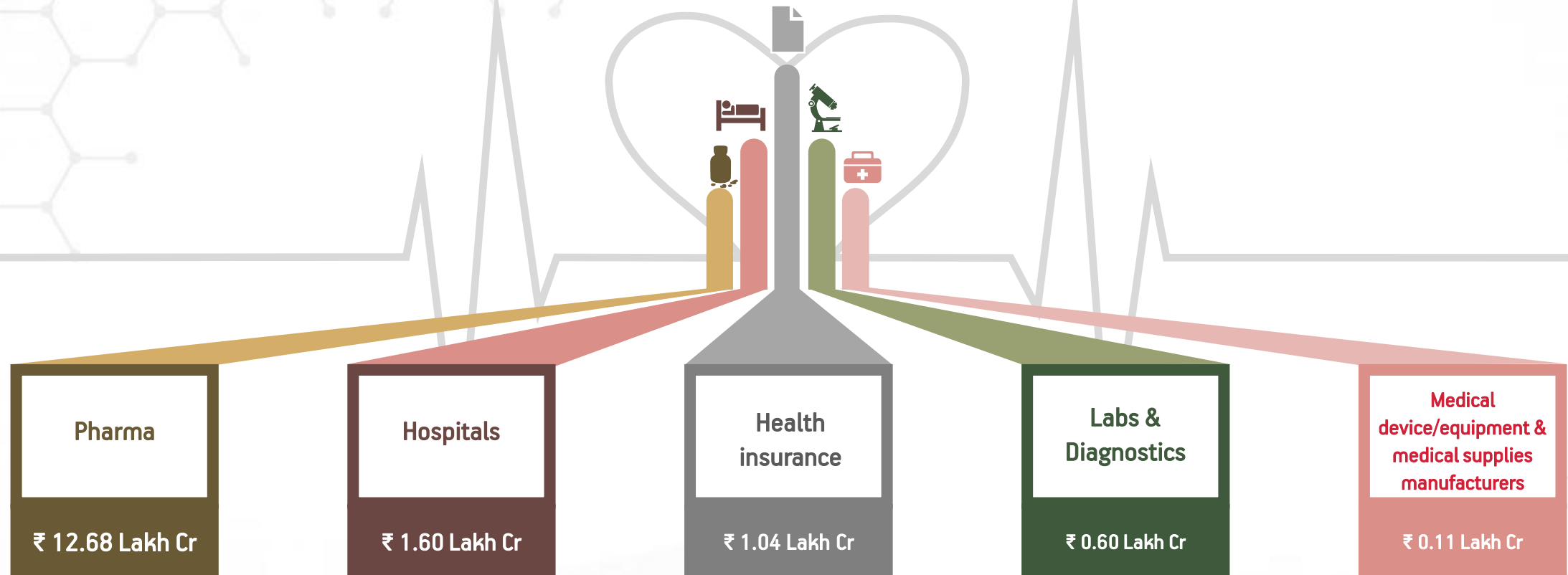


I dream of a **Digital India** where
quality Healthcare percolates
right up to the remotest regions
powered by **e-Healthcare**

Shri Narendra Modi

Honorable Prime Minister of India

Healthcare Industry (Market Cap)

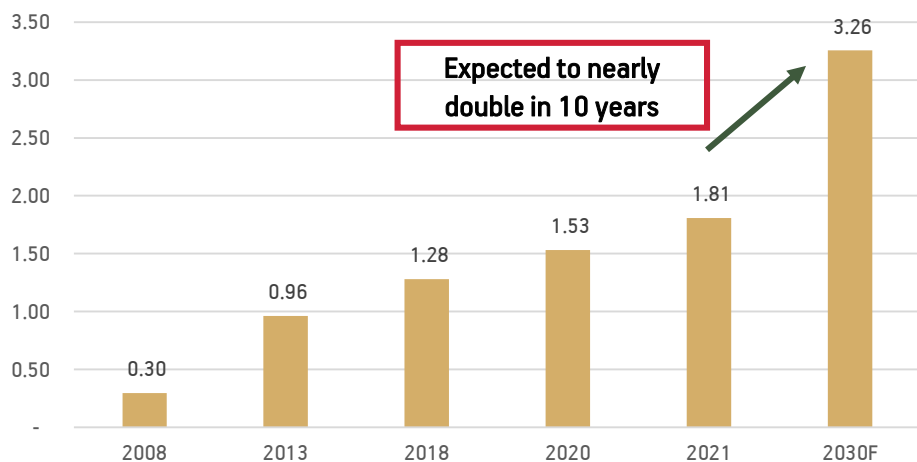


Digital pharmacies & Telemedicine Apps breaking through.
At least 5 healthcare related IPOs in the last 2 months itself*; more in the pipeline

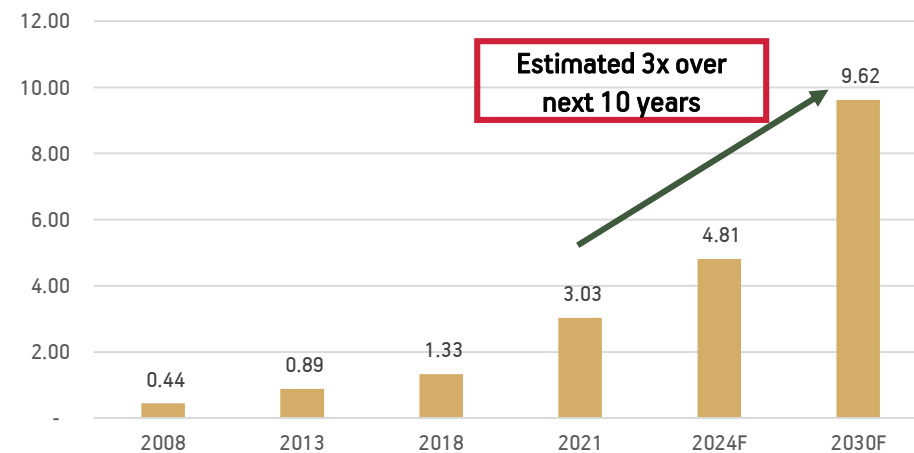
India is among the Global Leaders in Pharma

- India is world's largest provider of 'generics'- 20% of global generic export
- Produces ~60% of world's vaccines
- Largest volume exporter of formulations – 14% market share

Pharmaceutical Exports (in ₹ lakh Cr)



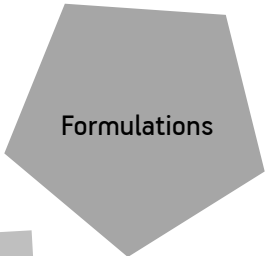
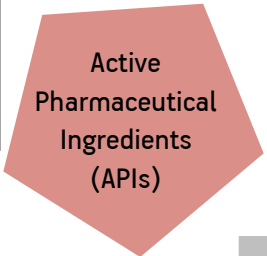
Domestic Pharmaceutical Market (in ₹ lakh Cr)



Total opportunity for growth in the pharma sector is from ₹ 4.84 Lakh Cr (2021) to ₹ 12.88 Lakh Cr (2030) @ CAGR of ~11.5%

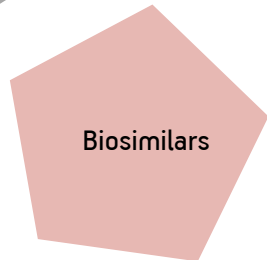
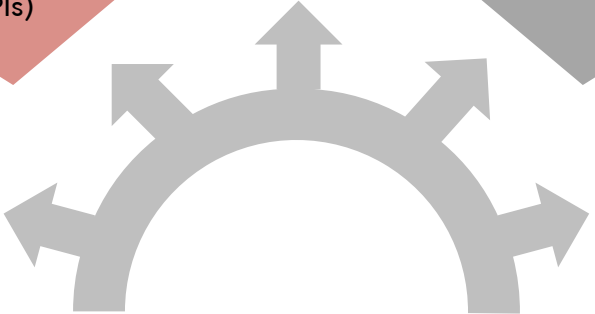
'Advantage India' to push key segments of pharma sector towards high growth!

- Extensive PLI scheme to boost domestic APIs by ~₹ 21,000 Cr
- Segment expected to reach ₹ 1.39 Lakh Cr by FY22



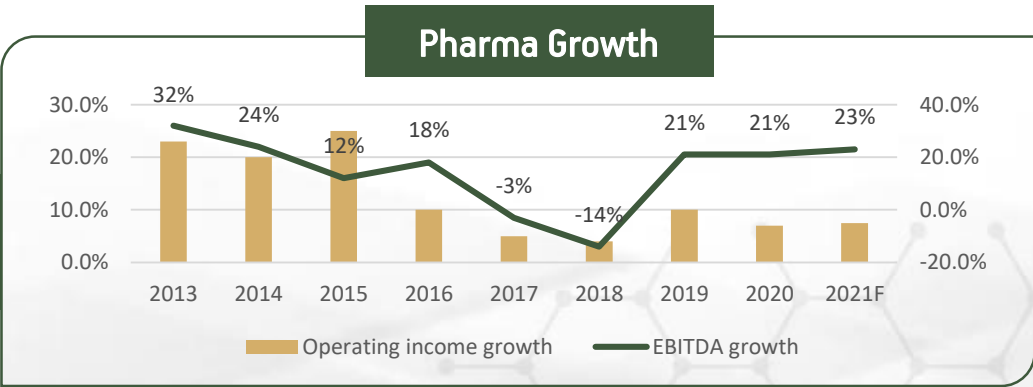
- India is one of the leading exporters
- Expected to clock double digit CAGR over next 5 years

- Advantage India due to significantly lower costs
- Currently at ~ ₹ 1.48 lakh Cr, expected to grow at 15-20% CAGR over the next 5 years



- India is emerging hub for biosimilars - several new IPOs in this segment
- Industry expected to grow at CAGR of 22% to ₹ 2.96 Lakh Cr By 2030

Contributing to the consistent double digit growth



The numbers indicate YoY EBITDA growth

Source: CRISIL research reports; NITI Aayog Report 2021 (March 2021)

Sunrise Sub-sectors acting as 'Supplements' with Double Digit Growth

Aditya Birla Sun Life
Mutual Fund



Contribute to the 80% of the revenue in the
Healthcare sector


HOSPITALS (incl
Medical Tourism)

Expected a healthy CAGR of ~16%, medical
tourism expects to double in next 2 yrs

Current Size estimated at ₹ 0.30 Lakh Cr


LABORATORIES &
DIAGNOSTIC SECTOR

Expected CAGR of > 10% over next 5 yrs

Comprises of 20% of Non-life insurance
business, making it the 2nd largest portfolio


HEALTH INSURANCE

Past 5 yrs CAGR ~17.16% → current size -
₹ 0.51 Lakh Cr

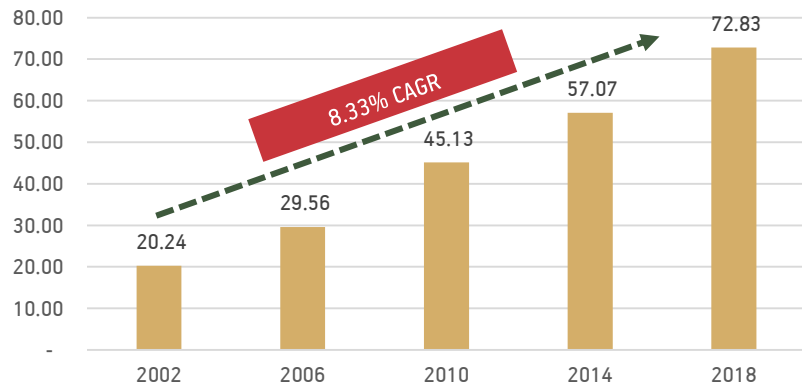
Current size estimated at ₹ 0.82 Lakh Cr


MEDICAL DEVICES

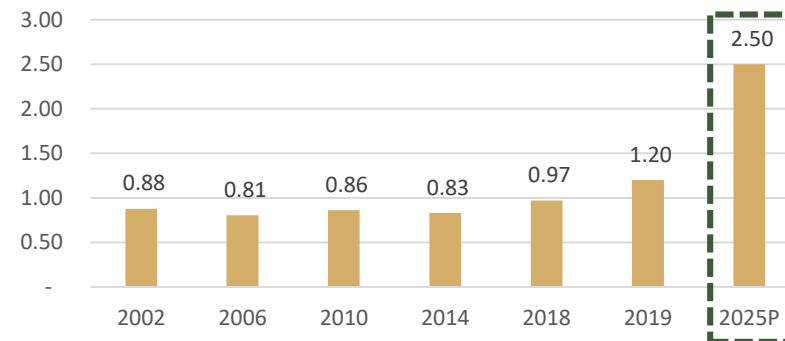
Expected to grow to ₹ 3.70 Lakh Cr by 2025

Rising Healthcare Expenditures

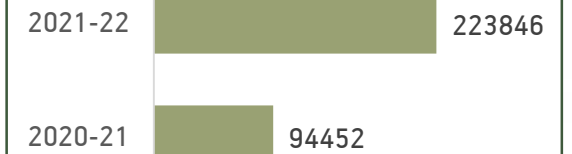
India's Per Capita healthcare spending (USD)



Government healthcare spend as a % of GDP

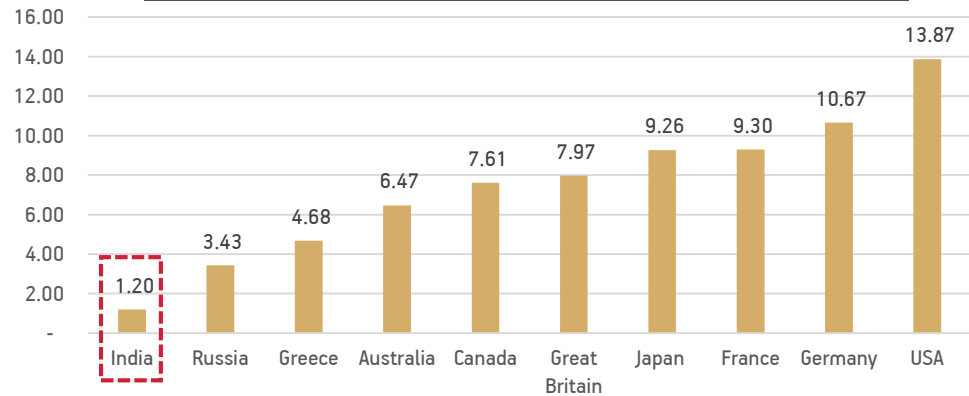


Govt Healthy Outlay* (Rs. Crore)



- Per-capita spending on health on the rise
- Government to increase spending on healthcare → Increased health outlay by 137% in Budget 2021 → target of 2.50% of GDP by 2025
- Indicative of strengthening of healthcare system and increasing access to healthcare services

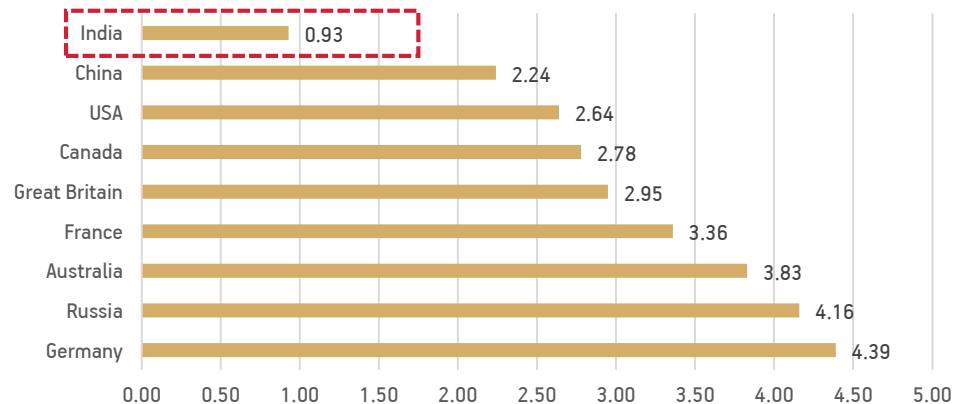
Government healthcare spend as a % of GDP (2019)



Despite being the most populous democracy, India's healthcare spend trails significantly behind the world !

- India's total healthcare spend (public + pvt.) – at less than 4% ;
- Public spend just over a quarter of the WHO recommendation of 5%
- India – 155th on the health spending index
- India's doctor-to-population ratio of <1 (significantly lower in rural areas); falls below WHO recommendation of 1:1000

Doctors per 1000 population (2019)

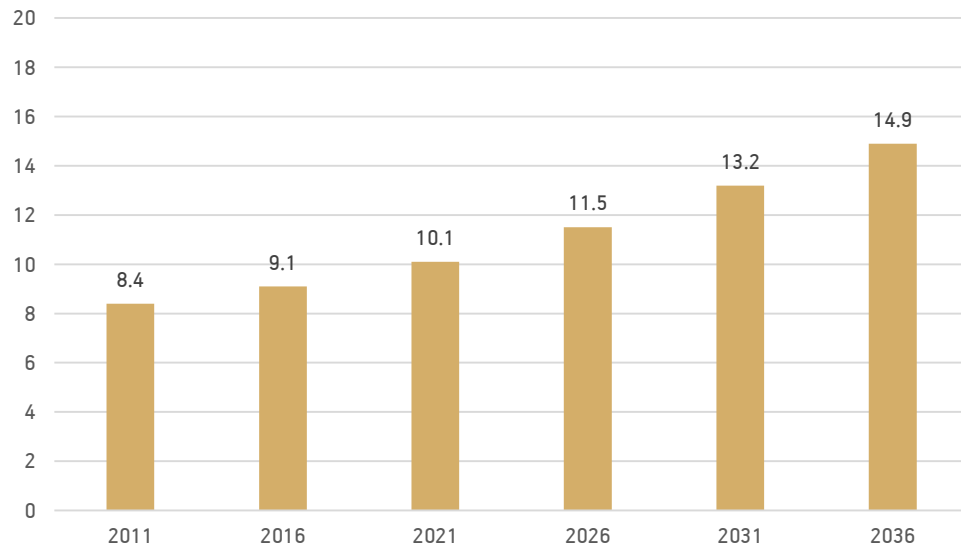


Healthcare sector is considerably underpenetrated – Room for plentiful growth in this sector !

Low penetration especially in rural areas ~ 75% of healthcare infrastructure caters to just 27% urban area

Increasing ageing population with increased life expectancy

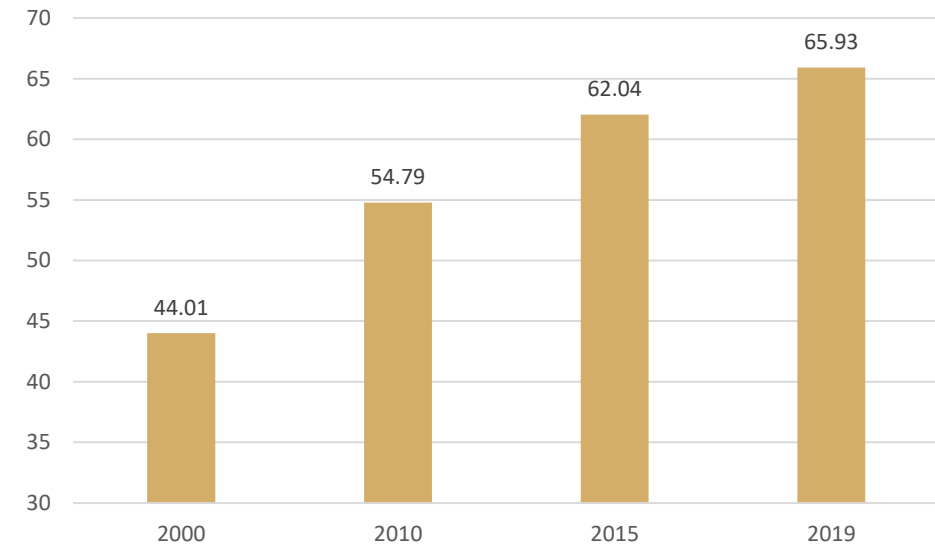
% of 60+ population



- Ageing population requiring increased medical attention on a steady rise
- 60+ population to reach 23 Cr by 2036
- Average life expectancy increased from 65.53 in 2010 to 69.27 in 2020

Increasing lifestyle diseases

% of deaths by non-communicable diseases



- Prevalence of NCDs – 116 per 1000 population
- Lifestyle diseases such as Diabetes increased from mere 2% in the 1970s to 10-20% in 2020

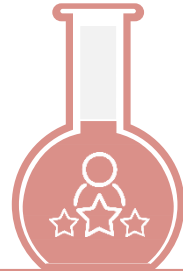
Indian demographics to potentially increase patient pool for healthcare sector by 20% by the next year

HEALTHCARE TO TAKE CENTERSTAGE IN THE YEARS TO COME!



COST ADVANTAGE

- Healthcare costs in India is ~20% of that in developed countries
- Clinical trials cost lower by 40-60% in India
- Medical Device Parks to reduce mfg. cost by 40-50%



INCREASING TALENT POOL

- Skilled professionals on the rise
- Registered doctors increased by approx. ~1.5 times in just a decade (8.27 to 12.56 lakhs)



INCREASING INVESTOR INTEREST

- Increasing FDI inflows - \$25.35 Bn from 2000-2020
- Increasing VC & PE funding - \$94 Mn (2011) to \$1,275 Mn (2016) to \$3.62 Bn (2020)



FAVOURABLE GOVERNMENT POLICIES

- Ayushman Bharat, PLI schemes etc to boost the sector
- Target Government healthcare spending - 2.5% of GDP by 2025
- Assistance of upto 90% of project cost at Medical Device Parks by the govt.

Having grown at 22.9% CAGR from 2015-2020;
Healthcare sector is expected to reach ₹ 27.53 Lakh Cr by 2022

Why invest in Healthcare Sector?



Foundation of a 'healthy' economy

- Growing population with favourable demographics
- Hospitals gearing up for capacity expansion



Robust growth prospects

- In both traditional and sunrise sub-sectors
- Examples - Medical tourism to grow to ₹ 96,200 Cr By 2022 & APIs- ₹ 1.3 Lakh Cr by 2026 growing at 8.57%



Disruptive Innovations

- Allocation of ₹30 Cr for National Digital Health Mission
- E-sanjeevani, a telemedicine App launched by govt
- Telemedicine & Robot-assisted surgeries



Rising investor interest

- Growing FDI, VC investments & share in MF Portfolios
- Pharma/healthcare IPOs garnering significant interest (₹8k Cr raised in Aug 2021)



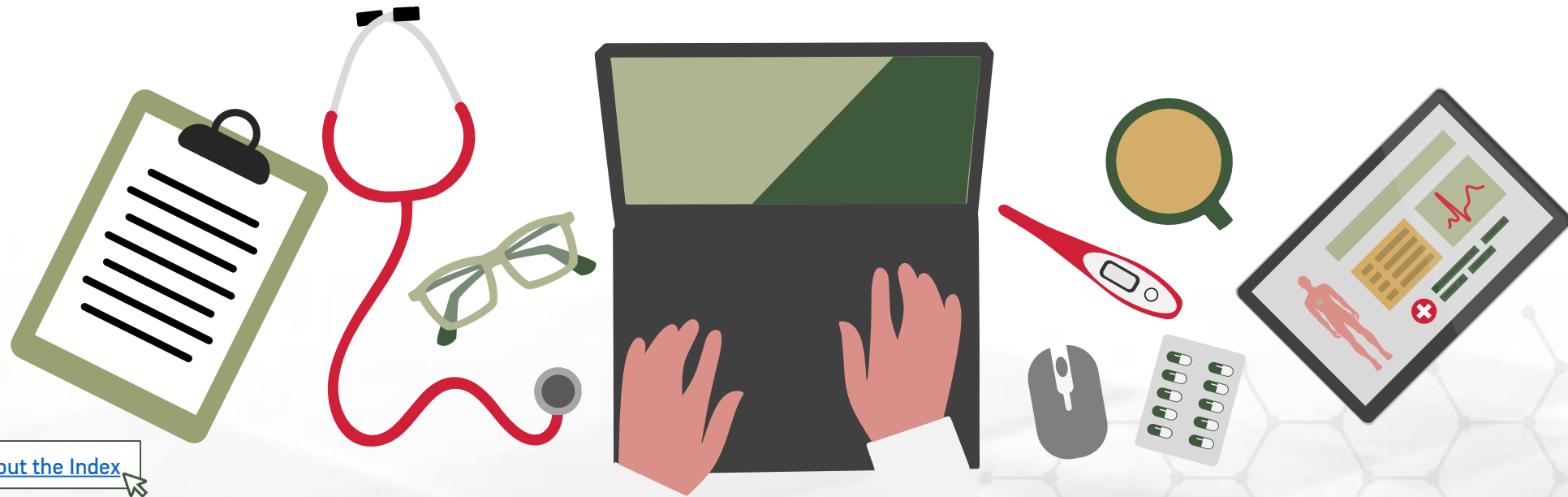
Increasing government support

- Govt schemes & increased budgets
- ₹2,663 Cr allocated for sectoral R&D by Govt in 2021 budget.

Introducing

Aditya Birla Sun Life Nifty Healthcare ETF

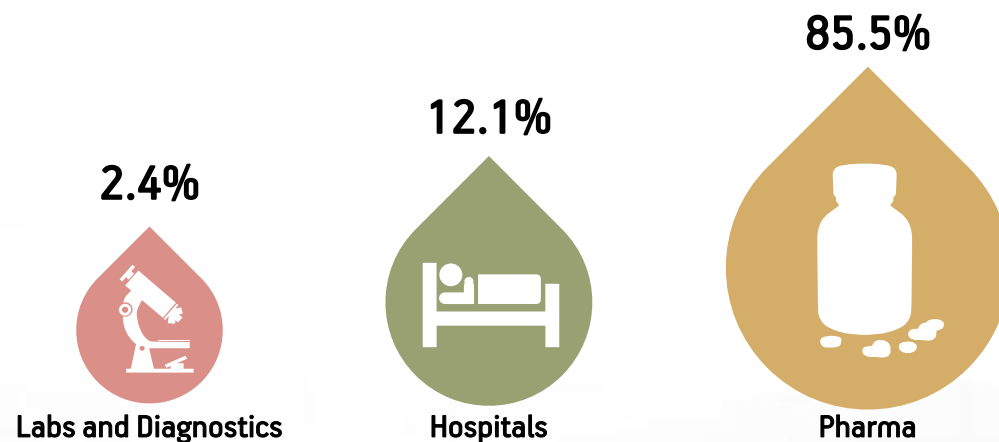
(An open ended exchange traded fund tracking Nifty Healthcare TRI)



[Know more about the Index](#)

- Designed to capture and reflect the behavior and performance of Healthcare companies.
- Comprises of maximum 20 tradable companies engaged in healthcare fields such as pharma, hospitals, medical devices and supplies, laboratories and diagnostics, medical insurance etc.
- Constituted on periodic capped free float market capitalization method and is re-constituted semi-annually.

Sub-sector allocation of NIFTY Healthcare Index



Companies engaged in generic formulations, APIs, CRAMs, other healthcare services find representation

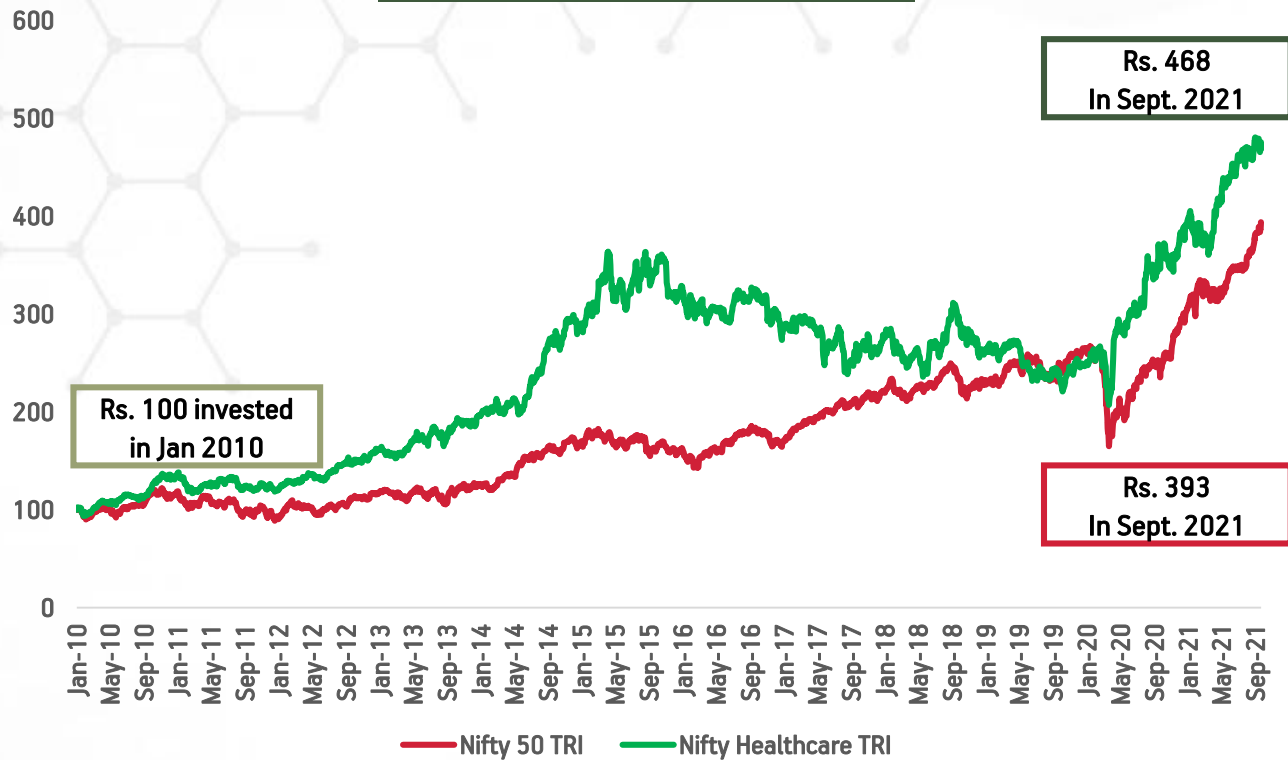
Top constituents by weightage

Company Name	Weight (%)
Sun Pharmaceutical Industries Ltd.	15.87
Divi'S Laboratories Ltd.	12.50
Dr. Reddy'S Laboratories Ltd.	11.23
Apollo Hospitals Enterprise Ltd.	9.42
Cipla Ltd.	9.34
Laurus Labs Ltd.	4.64
Lupin Ltd.	4.32
Aurobindo Pharma Ltd.	3.92
Alkem Laboratories Ltd.	3.29
Biocon Ltd.	3.20

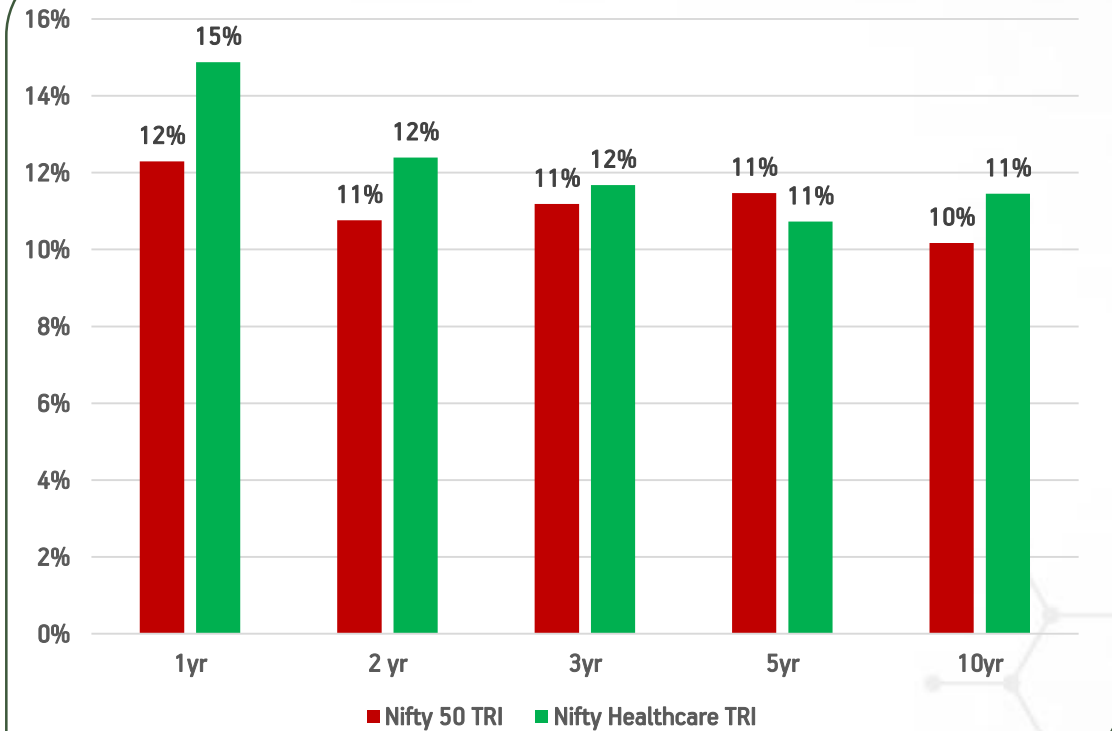
Diversified sub-sectoral representation, in the top 10 weighted constituents

Performance of Nifty Healthcare TRI

Cumulative Returns



Rolling Returns



Nifty Healthcare TRI grown at a CAGR of ~15% vs NIFTY 50 TRI @ ~13% & has exhibited a consistent track record

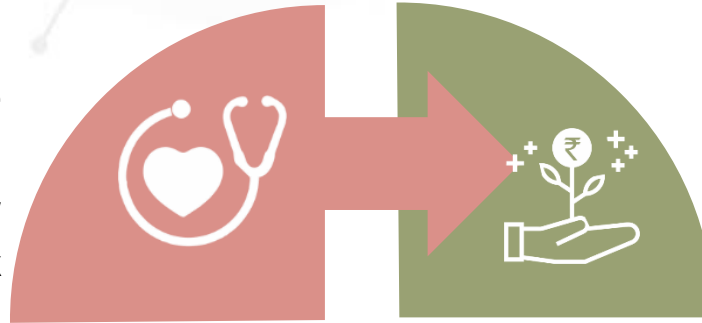
Why invest in Aditya Birla Sun Life Nifty Healthcare ETF?

Aditya Birla Sun Life
Mutual Fund



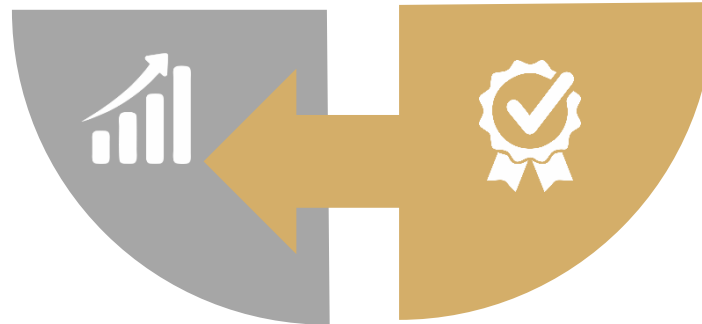
**GROW
WITH
DIVERSITY**

**Diversified representation
across healthcare**
Access the biggest players
through a pre-dominantly
large cap index



Passive Investing benefits
Low – minimum investment
amount, stock selection risk
and investing costs

**Potential for long term
capital growth**
Indian healthcare sector well
on its way to becoming a
global health hub



ETF Model benefits
Ease of share-like trading

**THROUGH
ETF
INVESTING**

Investing in ABSL Nifty Healthcare ETF can give you a hassle-free means to participate in the growing Pharma and Healthcare space of India

Aditya Birla Sun Life Nifty Healthcare ETF : Features & Asset Allocation

Aditya Birla Sun Life
Mutual Fund



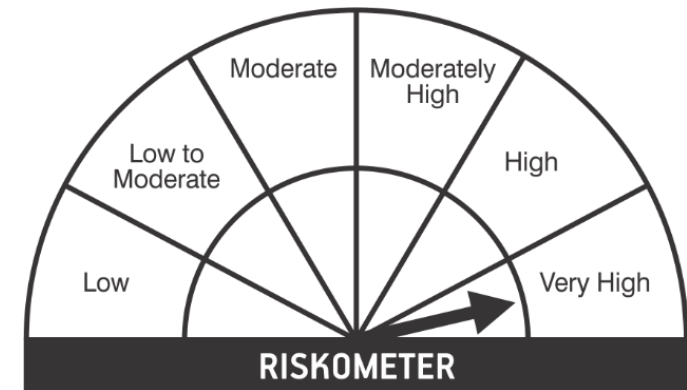
Scheme	Aditya Birla Sun Life Nifty Healthcare ETF		
Structure	An open ended exchange traded fund tracking Nifty Healthcare TRI		
Investment Objective	The investment objective of the scheme is to provide returns that before expenses, closely correspond to the total returns of securities as represented by Nifty Healthcare TRI, subject to tracking errors. However, the performance of scheme may differ from that of the underlying index due to tracking error. The Scheme does not guarantee/indicate any returns. There can be no assurance that the schemes' objectives will be achieved.		
Asset Allocation (as a % of net assets)	Instrument	Normal Allocation	Risk Profile
	Equity & Equity related instruments constituting Nifty Healthcare TRI	95-100%	Medium to High
	Cash, Money Market & Debt instruments	0-5%	Low
Fund Manager	Lovesh Solanki		
Traded/Listed on	National Stock Exchange of India Limited (NSE)		
Minimum Application	During NFO: Minimum of ₹ 500/- and in multiples of ₹ 100/- thereafter during the New Fund Offer (NFO) period. During Ongoing Offer → Directly through AMC: at creation unit size; Through stock exchange: 1 round lot of 1 (one) Unit at the prevailing listed price		
Pricing per unit	1/1000th of the NAV of Index		
Authorised participants	East India Securities, IIFL Securities		
Creation Unit Size	1,10,000 units and in multiples thereof		
Benchmark	Nifty Healthcare TRI		
Allotment date	October 21, 2021		

This product is suitable for investors who are seeking*:

- Long term capital growth
- Investments in stocks comprising the underlying index and endeavors to track the benchmark index

*Investors should consult their financial advisors if in doubt whether the product is suitable for them.

Riskometer



Investors understand that their principal will be at Very High risk

The product labelling assigned during the NFO is based on internal assessment of the Scheme characteristics or model portfolio and the same may vary post NFO when the actual investments are made.

Thanks



Appendix: Nifty Healthcare TRI Constituents

Aditya Birla Sun Life
Mutual Fund



Sr No	Company Name	Allocation (%)	Sub-sector
1	Sun Pharmaceutical Industries Ltd.	15.87	Pharmaceuticals
2	Divi'S Laboratories Ltd.	12.50	Pharmaceuticals
3	Dr. Reddy'S Laboratories Ltd.	11.23	Pharmaceuticals
4	Apollo Hospitals Enterprise Ltd.	9.42	Hospital
5	Cipla Ltd.	9.34	Pharmaceuticals
6	Laurus Labs Ltd.	4.64	Pharmaceuticals
7	Lupin Ltd.	4.32	Pharmaceuticals
8	Aurobindo Pharma Ltd.	3.92	Pharmaceuticals
9	Alkem Laboratories Ltd.	3.29	Pharmaceuticals
10	Biocon Ltd.	3.20	Pharmaceuticals
11	Ipca Laboratories Ltd.	3.18	Pharmaceuticals
12	Torrent Pharmaceuticals Ltd.	2.89	Pharmaceuticals
13	Cadila Healthcare Ltd.	2.74	Pharmaceuticals
14	Fortis Healthcare Ltd.	2.64	Hospital
15	Dr. Lal Path Labs Ltd.	2.47	Healthcare Service Providers
16	Abbott India Ltd.	2.18	Pharmaceuticals
17	Pfizer Ltd.	1.72	Pharmaceuticals
18	Natco Pharma Ltd.	1.59	Pharmaceuticals
19	Glenmark Pharmaceuticals Ltd.	1.46	Pharmaceuticals
20	Sanofi India Ltd.	1.41	Pharmaceuticals

Past performance may or may not be sustained in the future. For more details, please refer the SID / KIM of the scheme.

Issuer(s) / Stock(s) mentioned above are for the purpose of disclosure of the portfolio of the Scheme(s) and should not be construed as recommendation. The fund manager(s) may or may not choose to hold the bond mentioned, from time to time.

Risk Factors: Aditya Birla Sun Life AMC Limited is not liable or responsible for any loss or shortfall resulting from the operation of the scheme. This document represents the views of Aditya Birla Sun Life AMC Limited and must not be taken as the basis for an investment decision. Neither Aditya Birla Sun Life Mutual Fund, Aditya Birla Sun Life AMC Limited, its Directors or associates shall be liable for any damages including lost revenue or lost profits that may arise from the use of the information contained herein. No representation or warranty is made as to the accuracy, completeness or fairness of the information and opinions contained herein. The AMC reserves the right to make modifications and alterations to this statement as may be required from time to time.

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