



Aditya Birla Sun Life Factor ETFs

The Dream Team of Your Portfolio

Factor investing is about identifying the Factors that contribute to successful investing



Attack

Every stock displays certain factors



Class

Performance of every stock can be attributed to the presence of a set of factors

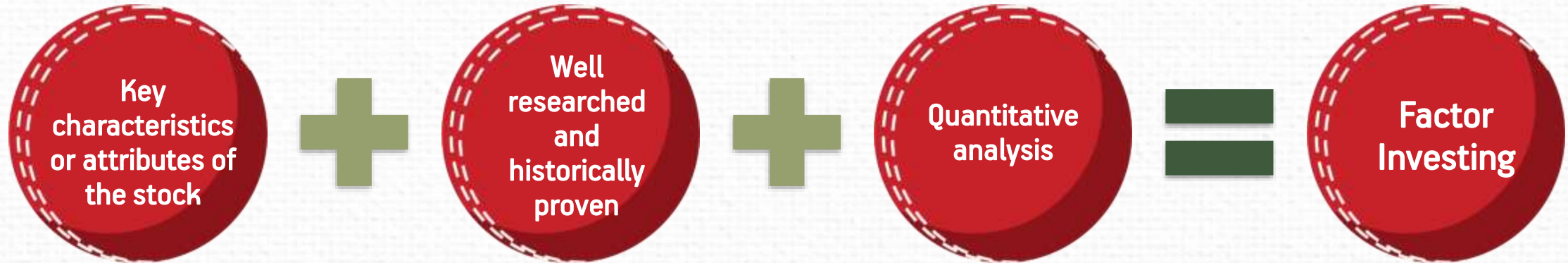


Defense

These factors can be tracked & used for investment decisions

Investment decision - The key for any investment manager is to decide which Factors to bet on

What are the 'Factors' in investing?



Factors	Ratios / Metrics
Value	P/E, P/B, P/S, Dividend Yield Ratio, etc.
Momentum	Trend is price returns over a 6m or 1 year time frame.
Alpha Low Volatility	Alpha and Standard Deviation
Quality	Leverage, EPS Growth, ROE
Yield	Cash flows, Dividends

Passive Strategy

Pros

- Low Cost
- Transparent and Rule Based

Cons

- No potential for active risk management

Factor Investing

Objectives

- Potential for outperformance
- Low cost
- Transparent and Rule based
- No Behavioral bias

Active Strategy

Pros

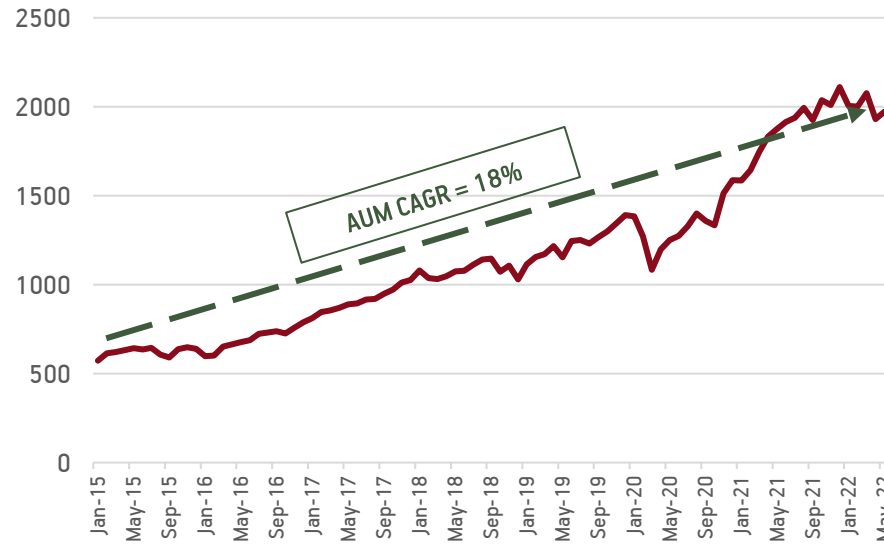
- Risk Management
- Potential for outperformance

Cons

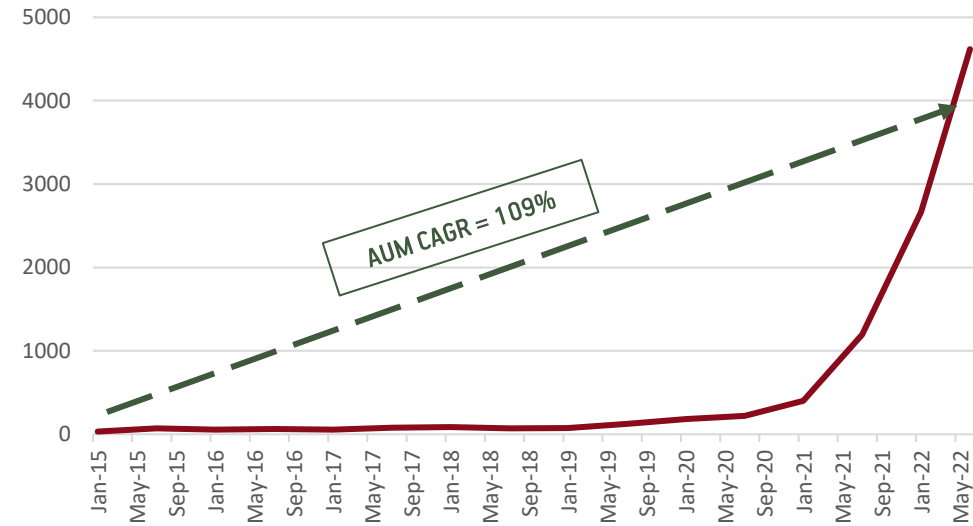
- Fund Manager Bias
- Higher Cost

Factor investing has benefits of both active and passive investing

Global AUM (in USD Billions)



Indian AUM (in ₹ Crores)

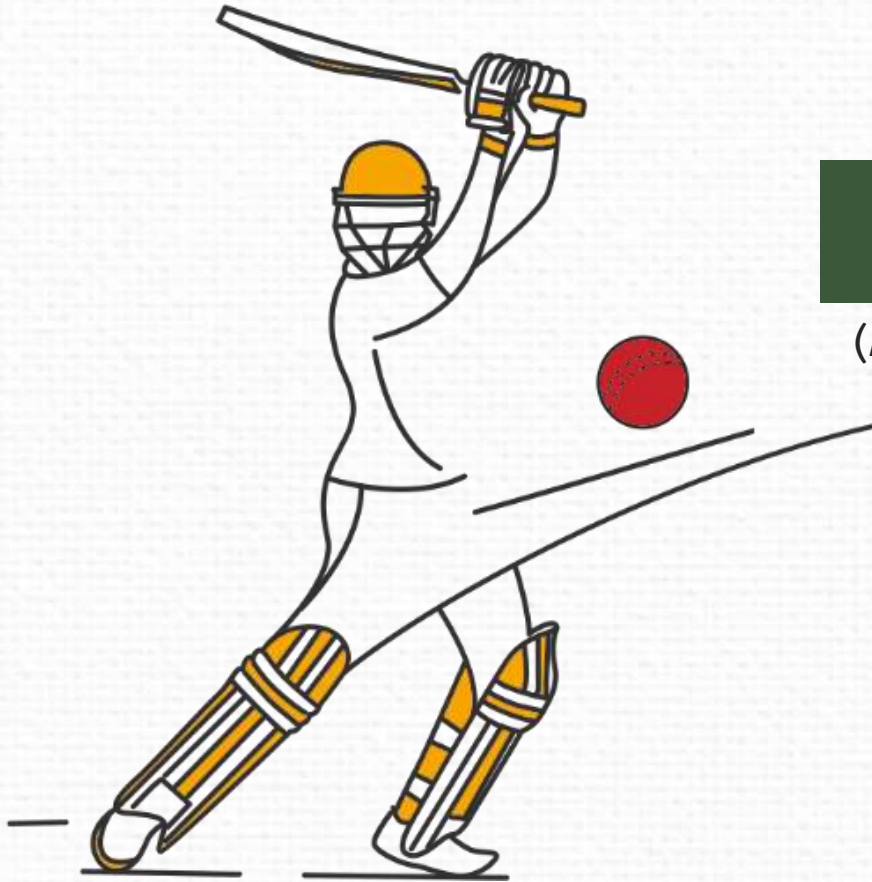


- ➡ Significant Global demand, CAGR of 18% p.a. in AUMs.
- ➡ Over the last 5 years, the AUM has increased by 2.2x

- ➡ Factor Investing is gaining traction in India too
- ➡ The smart beta AUMs rose by 3.9x over the last 12 months.*

In 2022 itself, investors in India infused more than ₹1,900 Crores in Smart Beta funds

Source: Morningstar. January 2015 – June 2022 // *Smart beta funds include FOFs, Index Funds & ETFs that have style indices as the underlying or a different weighting structure like equal weighted.



Aditya Birla Sun Life

Nifty 200 Momentum 30 ETF

(An open ended exchange traded fund tracking Nifty 200 Momentum 30 TRI)

NFO Opening Date: Friday, July 29, 2022

NFO Closing Date: Wednesday, August 10, 2022



Remember pushing the ball a little and it rolling all the way to the boundary?
That's **Newton's first law of motion!**






A body at constant velocity, will keep moving at the same speed unless acted upon by a force.

It holds true in Factor Investing because:

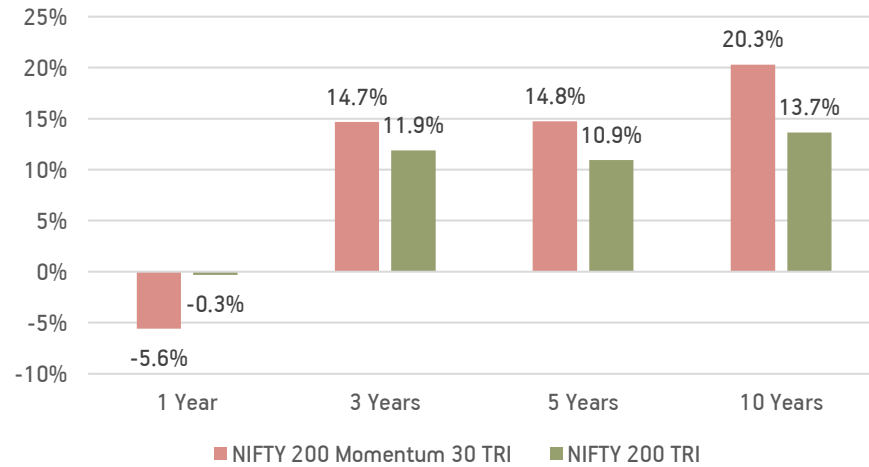
- ➡ As the information spreads to the broad market, the stock is continuously purchased at higher prices
- ➡ Investors overreact to the information as well, this adds to the additional return

Thus, to capture this Momentum in Investing, the average 6-month and 12-month price return adjusted for daily price volatility is observed.

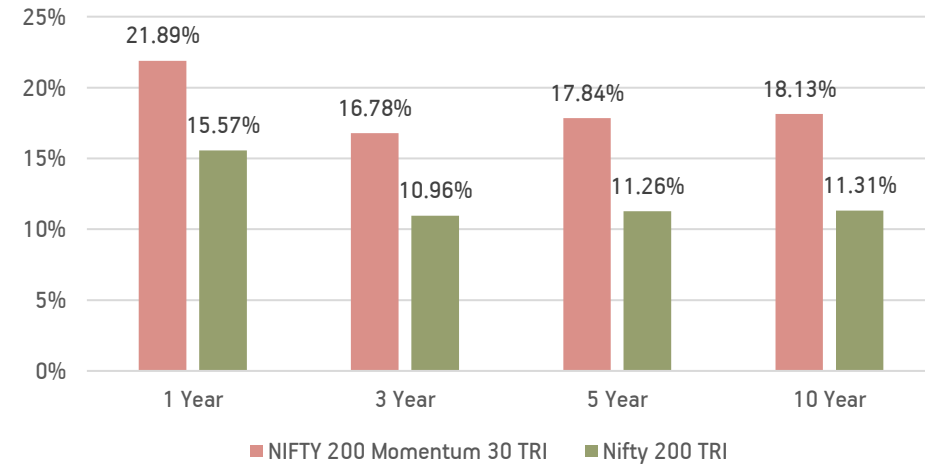
About Nifty 200 Momentum 30 Index

	Stocks Universe	Top 30 companies from its parent NIFTY 200 index, selected based on their 'momentum' scores.
	Rebalancing Frequency	Index rebalancing & stock capping is done on a semi-annual basis – June and December
	Factor Weightage	The normalised momentum score for each company is determined based on its average of 6-month and 12-month price return, adjusted for its daily price volatility.
	Constituents	Top 30 Stock weights are based on a combination of the stock's normalised momentum score and its free-float market capitalization.
	Constraints	Stock weights are capped at the lower of 5% or 5 times the weight of the stock in the index based only on free float market capitalization

P2P Return



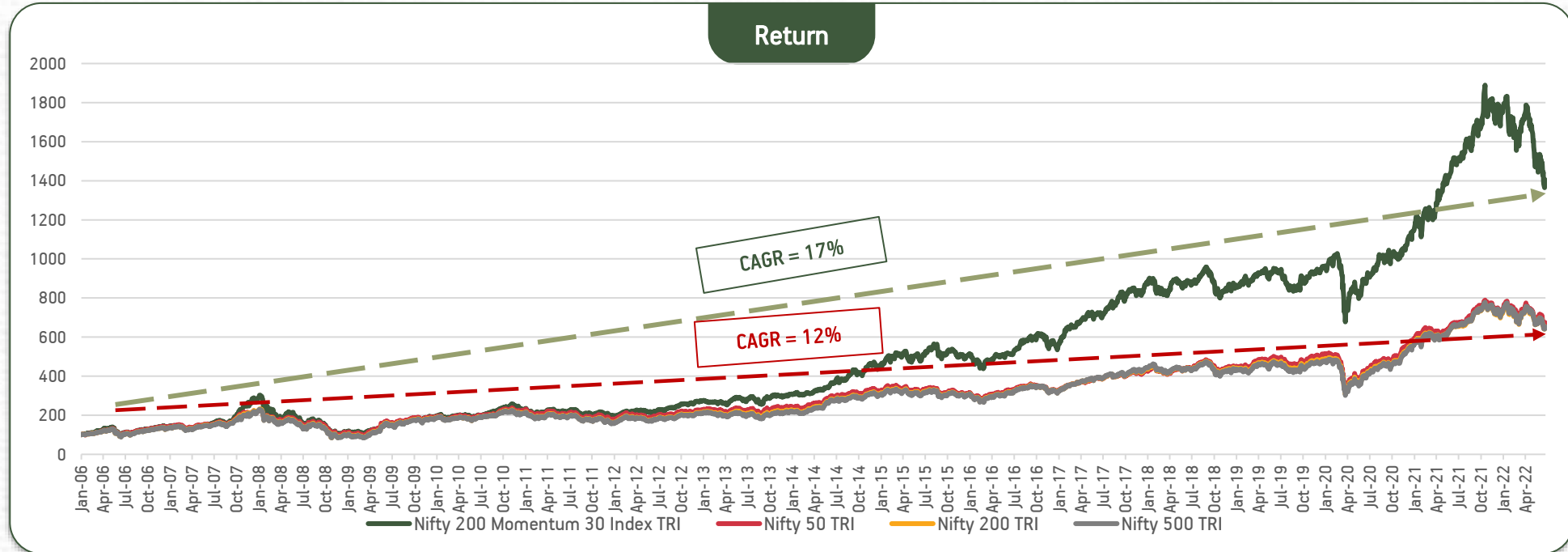
Rolling Return



Metrics	NIFTY 200 Momentum 30 TRI	NIFTY 200 TRI
Standard Deviation	23.41%	22.03%
Beta (with NIFTY 50 TRI)	0.93	0.97
Sharpe	0.54	0.26
Sortino Ratio	0.66	0.33

Nifty 200 Momentum 30 TRI on an average gave 7% p.a. excess return over Nifty 200 TRI through 6 years on 10-Year rolling basis*.

Source: MFIE / NIFTY 200 MOMENTUM 30 TRI, NIFTY 200 TRI – 2 Jan, 2006 – 23 June 2022; Standard deviation taken from Nifty 200 Momentum 30 TRI & Nifty 200 TRI factsheet ; Risk Free Rate is taken as 5.5% * based on 10 Year Rolling Returns / **Note: Past performance may or may not be sustained in the future**

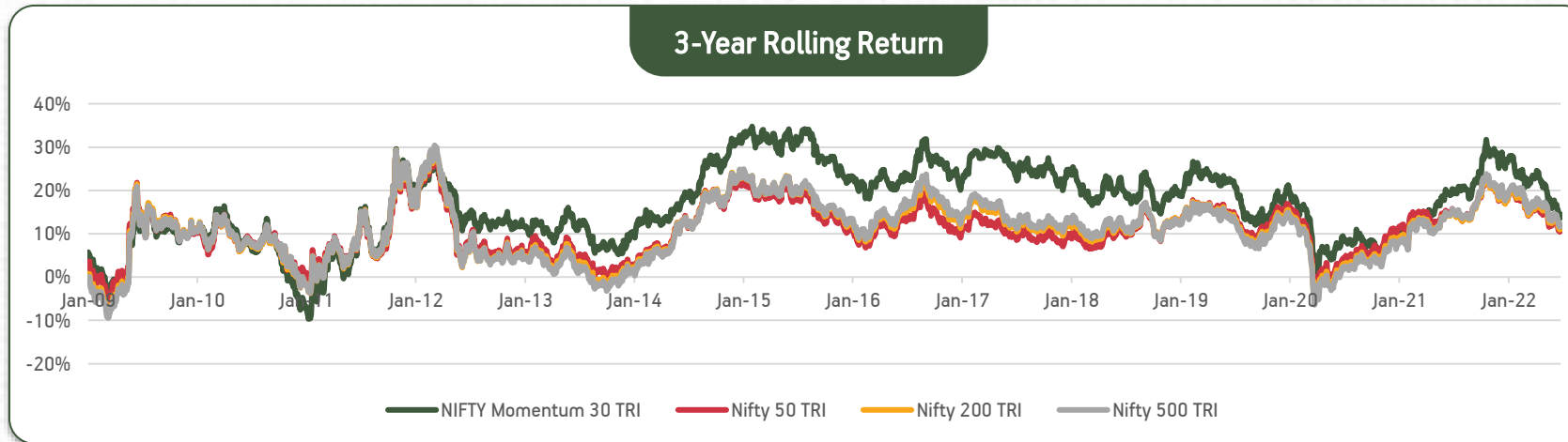


Metrics	NIFTY 200 Momentum 30 TRI
P/E Ratio	19.2
P/B Ratio	3.67
Dividend Yield	2.01%
Top 5 Stocks Weightage	31.24%

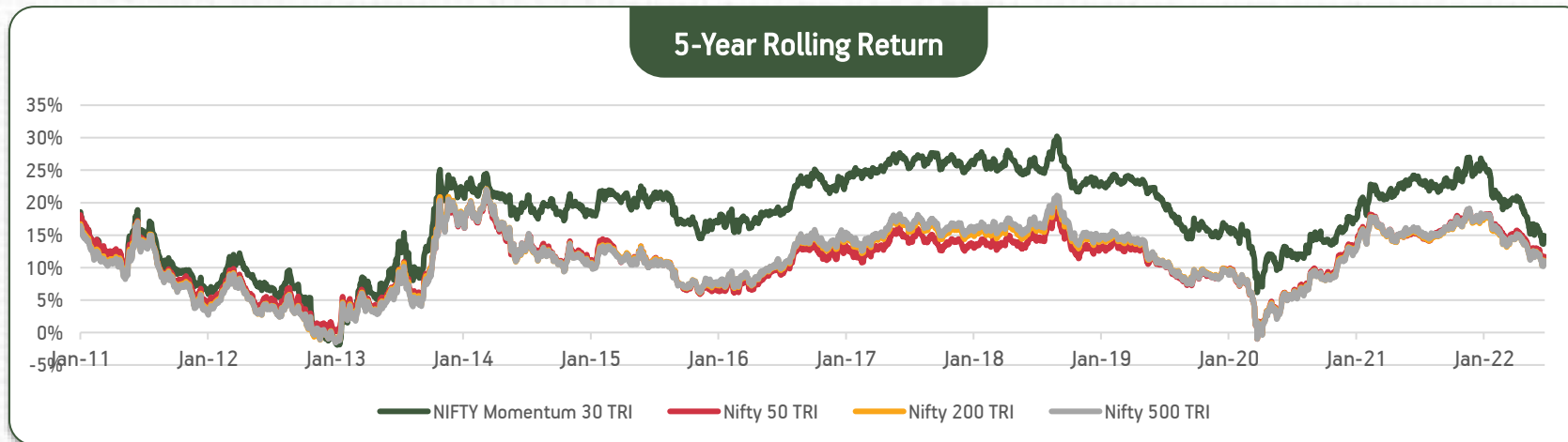
Nifty 200 Momentum 30 TRI grew close to 14x in the last 16 years, while Nifty 50 TRI, Nifty 200 TRI and Nifty 500 TRI grew close to 6x only.

Source : Bloomberg, NIFTY 200 MOMENTUM 30 TRI, NIFTY 50 TRI, NIFTY 200 TRI, NIFTY 500 TRI, Note : Data was available from 2, Jan 2006 to 23, June 2022. Source : Nifty 200, MOMENTUM 30 June 2022 Factsheet // **Note: Past performance may or may not be sustained in the future.** The above are index returns provided for explanation purpose and should not be construed as Scheme returns

Ideal for continuous Investment over Long Horizon



In over 87% instances, for 3-Year Rolling Return over 13 Years, positive excess return was generated over Nifty 200 TRI.



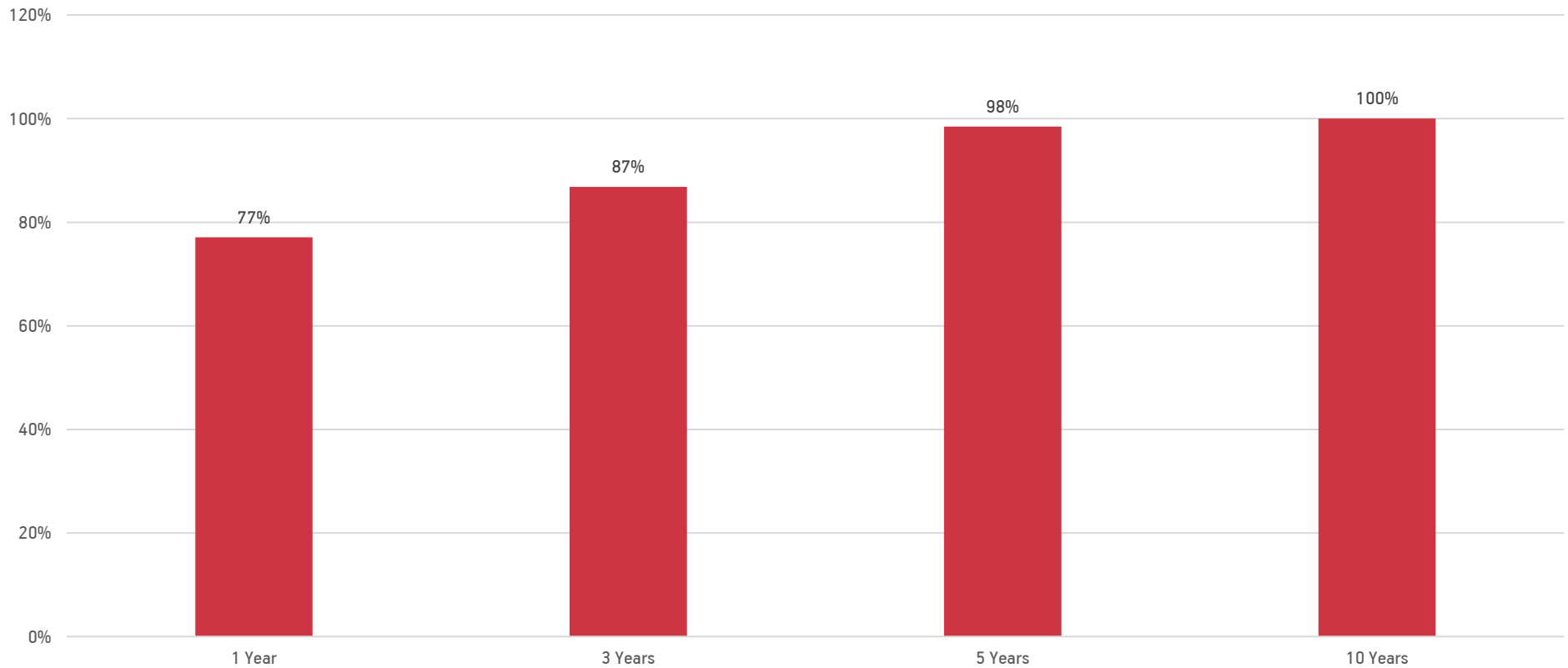
In over 98% instances, for 5-Year Rolling Return over 11 Years, positive excess return was generated over Nifty 200 TRI.

Performance has been consistent for most of the long-term holding period.

Source : Bloomberg, NIFTY 200 MOMENTUM 30 TRI, NIFTY 50 TRI, NIFTY 200 TRI, NIFTY 500 TRI, Note : Data was available from 2, Jan 2006 to 23, June 2022 // **Note: Past performance may or may not be sustained in the future.** The above are index returns provided for explanation purpose and should not be construed as Scheme returns

Ideal for Long Term Investors!

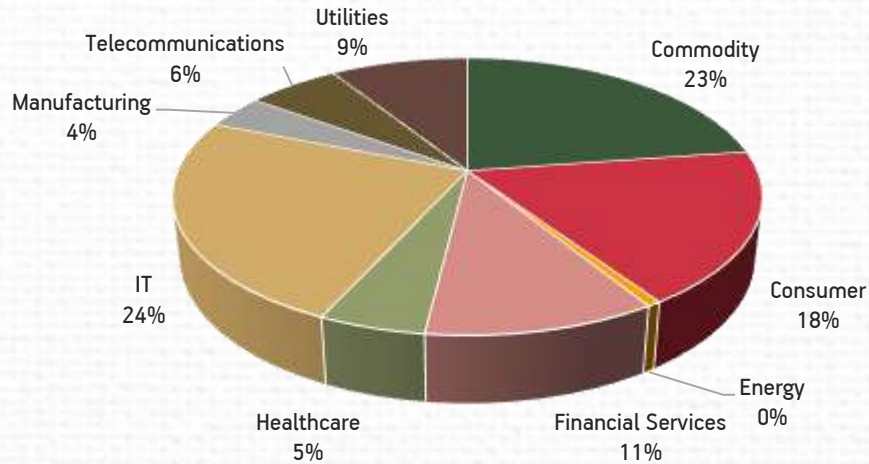
Probability of Positive Excess Returns (Over Nifty 200 Index)*



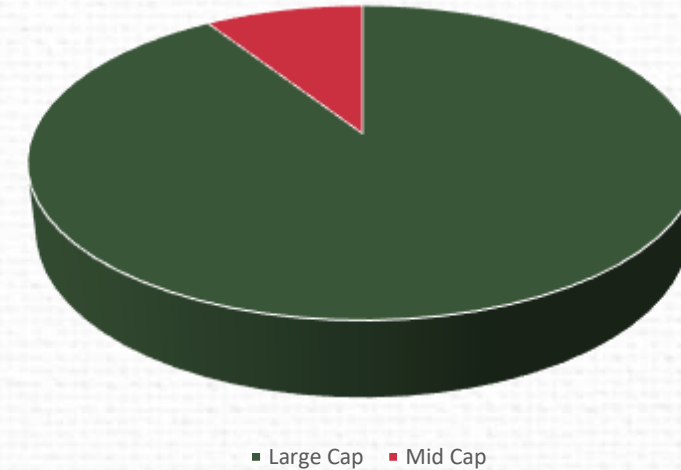
Probability of generating positive excess return over Nifty 200 TRI increases as holding period increases

Source : Bloomberg, NIFTY 200 MOMENTUM 30 TRI, NIFTY 50 TRI, NIFTY 200 TRI, NIFTY 500 TRI, Note : Data was available from 2, Jan 2006 to 23, June 2022. *This graph refers to past probability. **Past performance may or may not be sustained in the future**

Sector Weights



Market Capital Weightage



Security	Weightage	Sector
ADANI ENTERPRISES LTD.	7.76%	COMMODITIES
STATE BANK OF INDIA	6.14%	FINANCIAL SERVICES
BHARTI AIRTEL LTD.	6.05%	TELECOMMUNICATIONS
TATA POWER CO. LTD.	5.80%	UTILITIES
TITAN COMPANY LTD.	5.49%	CONSUMER
TATA MOTORS LTD.	5.21%	CONSUMER
APOLLO HOSPITALS ENTERPRISE LTD.	4.94%	HEALTHCARE
GRASIM INDUSTRIES LTD.	4.84%	COMMODITIES
INFOSYS LTD.	4.83%	IT
BAJAJ FINSERV LTD.	4.59%	FINANCIAL SERVICES

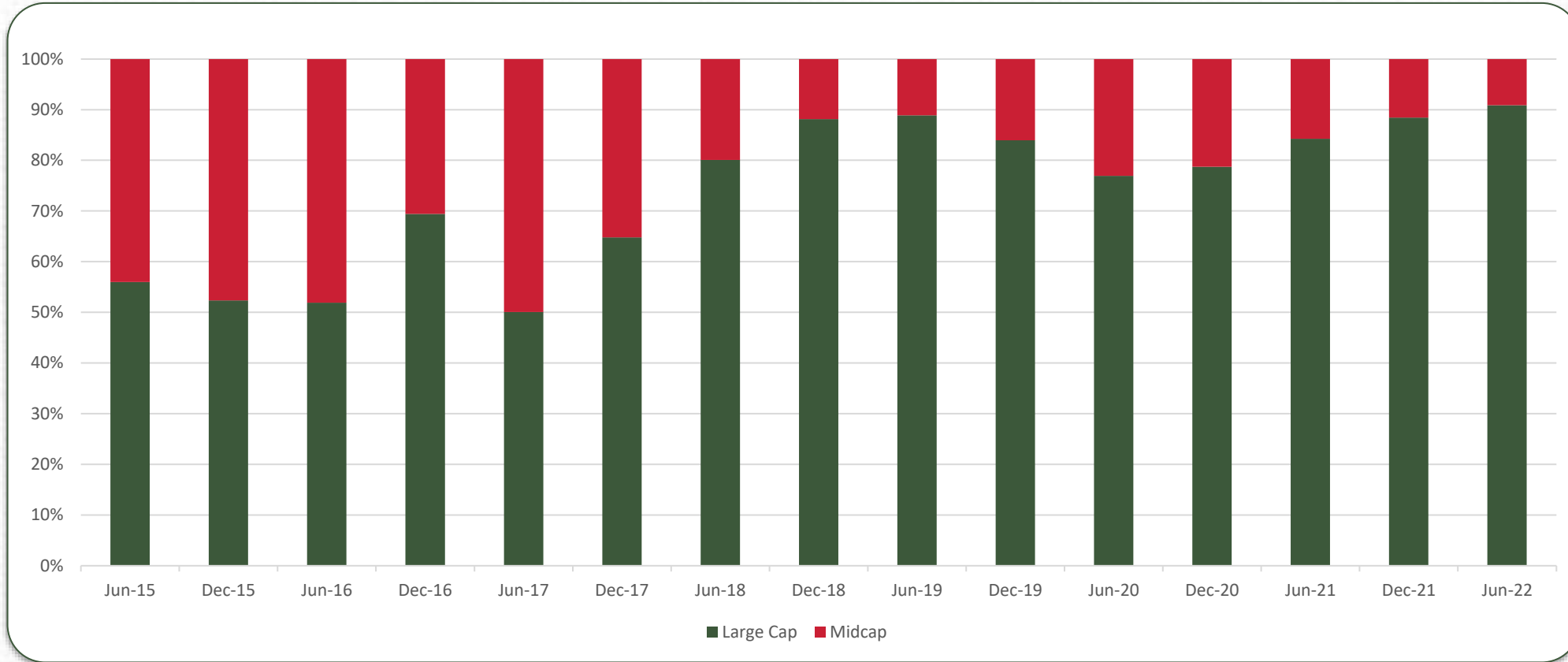
Source : Nifty 200 Momentum 30 Holding Data - June 21, 2022 // Issuer(s)/ Stock(s) mentioned above are for the purpose of disclosure of the portfolio of the Scheme(s) and should not be construed as recommendation. The above sectors / stocks may or may not form part of the portfolio from time to time.

Nifty 200 Momentum 30 TRI and Nifty 50, 200 and 500 TRI through the years.

	Nifty 200 Momentum 30 Index TRI	Nifty 50 TRI	Nifty 200 TRI	Nifty 500 TRI
2006	44%	42%	37%	36%
2007	101%	57%	66%	65%
2008	-60%	-51%	-56%	-57%
2009	69%	78%	89%	91%
2010	20%	19%	16%	15%
2011	-16%	-24%	-26%	-26%
2012	39%	29%	34%	33%
2013	13%	8%	6%	5%
2014	50%	33%	37%	39%
2015	11%	-3%	-1%	0%
2016	10%	4%	5%	5%
2017	57%	30%	35%	38%
2018	-2%	5%	0%	-2%
2019	11%	13%	10%	9%
2020	20%	16%	17%	18%
2021	54%	26%	29%	32%
2022	-20%	-10%	-11%	-12%

Nifty 200 Momentum 30 TRI has provided 17.4% CAGR over the last 17 years as compared to ~12% provided by Nifty 50 TRI, Nifty 200 TRI and Nifty 500 TRI

Source : Bloomberg, NIFTY 200 MOMENTUM 30 TRI, NIFTY 50 TRI, NIFTY 200 TRI, NIFTY 500 TRI, Note : Data was available from 2, Jan 2006 to 23, June 2022 // / **Note: Past performance may or may not be sustained in the future.** The above are index returns provided for explanation purpose and should not be construed as Scheme returns



Nifty 200 Momentum 30 TRI has predominantly held more in large cap stocks

Source : Bloomberg, NIFTY 200 MOMENTUM 30 TRI, NIFTY 50 TRI, NIFTY 200 TRI, NIFTY 500 TRI, Note : Data was available from 2, Jan 2006 to 21, June 2022.

Why Factor Investing through ABSL Factor ETFs?



Why to invest in Aditya Birla Sun Life Nifty 200 Momentum 30 ETF?

Captures the
“momentum” well;
Key object – Add
winners, remove
laggards



Strong
performance of the
underlying index



One of the most
persistent factor
strategies, esp in
India



Diversified
exposure to
multiple sectors

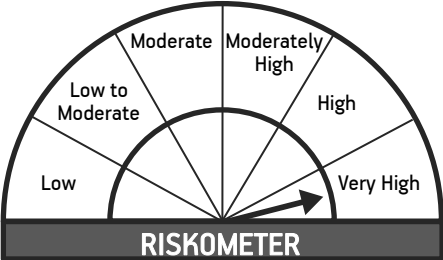
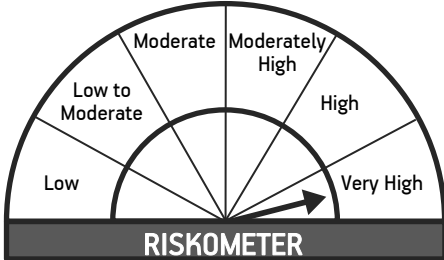


Predominantly
large cap
oriented



Scheme	Aditya Birla Sun Life Nifty 200 Momentum 30 ETF		
Structure	An open ended exchange traded fund tracking Nifty 200 Momentum 30 TRI		
Investment Objective	<p>The investment objective of the Scheme is to generate returns that are in line with the performance of Nifty 200 Momentum 30 Index, subject to tracking errors.</p> <p>The Scheme does not guarantee/indicate any returns. There can be no assurance that the objective of the Scheme will be achieved.</p>		
Asset Allocation (as a % of net assets)	Instrument	Normal Allocation (% of total Assets)	Risk Profile
	Equity & Equity related instruments constituting Nifty 200 Momentum 30 TRI	95 to 100%	Very High
	Cash, Money Market & Debt instruments	0 to 5%	Low
Fund Manager	Mr. Lovelish Solanki and Mr. Pranav Gupta		
Minimum Application Amount	During NFO: Minimum of ₹ 100/- and in multiples of ₹ 1/- 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	The units being offered will have a face value of Re. 1/- each and will be issued at a premium, if any, approximately equal to the difference between face value and allotment price.		
Market Makers	IIFL Securities Limited and East India Securities		
Creation size	21,000 units and in multiples thereof		
Benchmark	Nifty 200 Momentum 30 TRI		

Note: For details, refer SID/KIM of the scheme.

Scheme name	This product is suitable for investors who are seeking*:	Riskometer	Benchmark Riskometer Nifty 200 Momentum 30 TRI
<p>Aditya Birla Sun Life Nifty 200 Momentum 30 ETF (An open ended exchange traded fund tracking Nifty 200 Momentum 30 TRI)</p>	<ul style="list-style-type: none"> Investors seeking returns that are in line with the performance of Nifty 200 Momentum 30 Index, subject to tracking errors Investments in the stocks belonging to Nifty 200 Momentum 30 Index 	 <p>RISKOMETER Investors understand that their principal will be at Very High risk</p>	 <p>RISKOMETER Investors understand that their principal will be at Very High risk</p>
<p>*Investors should consult their financial advisors if in doubt whether the product is suitable for them.</p>			

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.

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.

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