



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

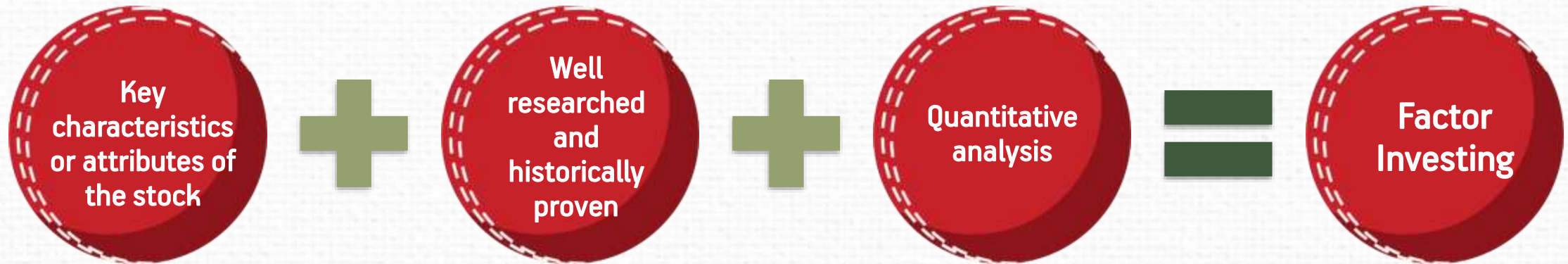


Defense

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?

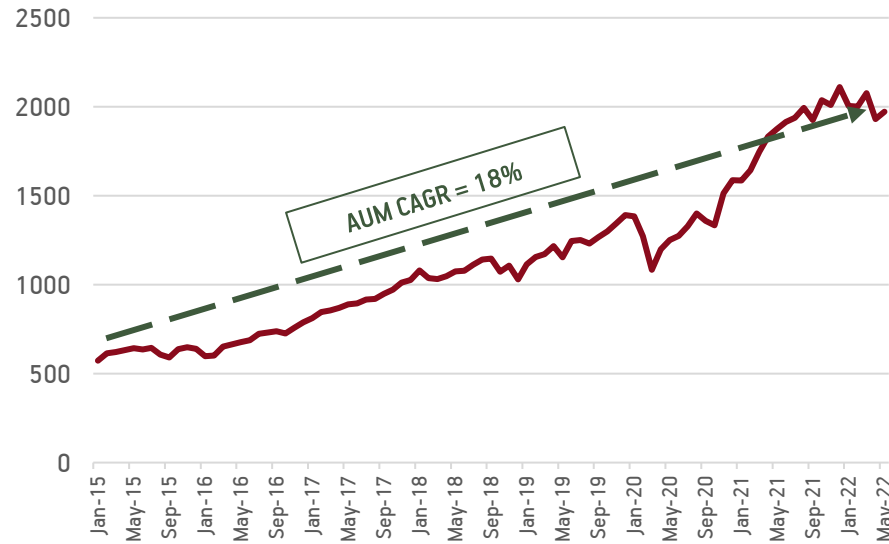


Factors	Ratios / Metrics
Value	P/E, P/B, P/S, Dividend Yield Ratio, etc.
Momentum	Trend in price returns over a 6m or 1 year time frame.
Alpha Low Volatility	Alpha and Standard Deviation
Quality	Leverage, EPS Growth, ROE
Yield	Cash flows, Dividends

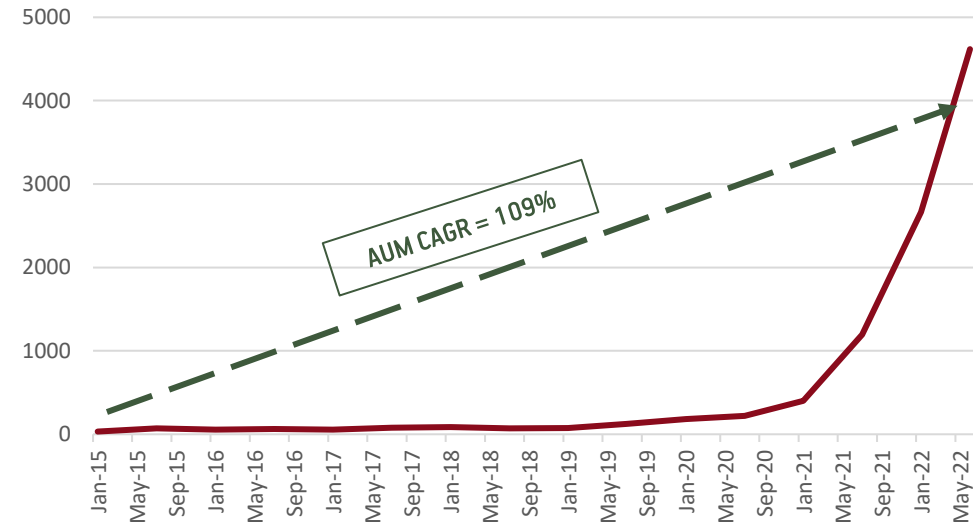
Passive Strategy	Factor Investing	Active Strategy
<p>Pros</p> <ul style="list-style-type: none">• Low Cost• Transparent and Rule Based <p>Cons</p> <ul style="list-style-type: none">• No potential for active risk management	<p>Objectives</p> <ul style="list-style-type: none">• Potential for outperformance• Low cost• Transparent and Rule based• No Behavioral bias	<p>Pros</p> <ul style="list-style-type: none">• Risk Management• Potential for outperformance <p>Cons</p> <ul style="list-style-type: none">• 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

Aditya Birla Sun Life

Nifty 200 Quality 30 ETF

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

NFO Opening Date: Friday, July 29, 2022






NFO Closing Date: Wednesday, August 10, 2022

What is Quality Investing?



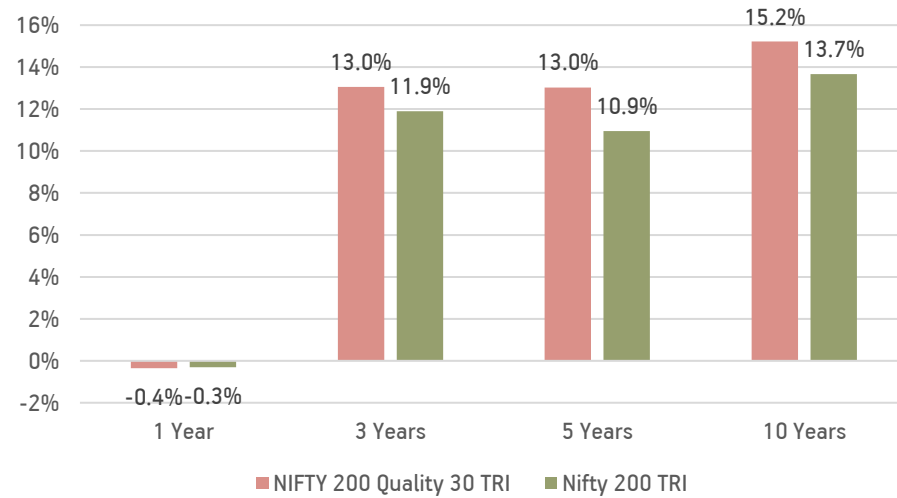
Quality Investing is about focusing on Quality as a constituent factor for portfolio holding

About Nifty 200 Quality 30 Index

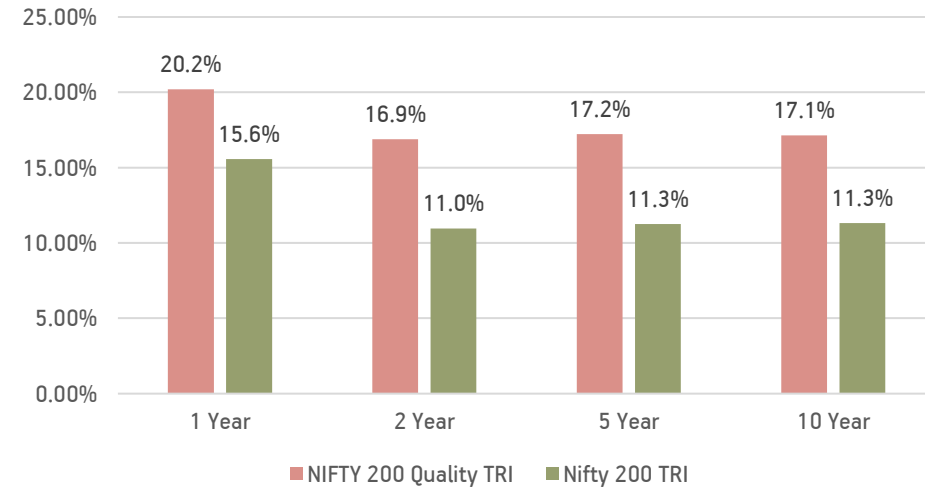
	Stocks Universe	Top 30 companies from its parent NIFTY 200 index, selected based on their 'quality' scores.
	Rebalancing Frequency	Index is rebalanced semi-annually - June and December
	Factor Weightage	The quality score for each company is determined based on Equal weightage to return on equity (ROE), financial leverage (Debt/Equity Ratio) and earning (EPS) growth variability analysed during the previous 5 years.
	Constituents	Top 30 Stocks based on Quality Score. Weight of the stock in the index is derived by multiplying the square root of the free float market cap with the quality score of that stock.
	Stock Constraint	Each stock in the index is capped at the lower of 5% or 5 times the weight of the stock in the index based only on free float market capitalization

Source : Nifty 200 Quality 30 Factsheet as on June 2022, EGV - EPS Growth Variability , * - [EGV using adjusted EPS of previous 6 years , No negative EPS considered, D/E is not considered for Financial Services Sector Stocks]

P2P Return



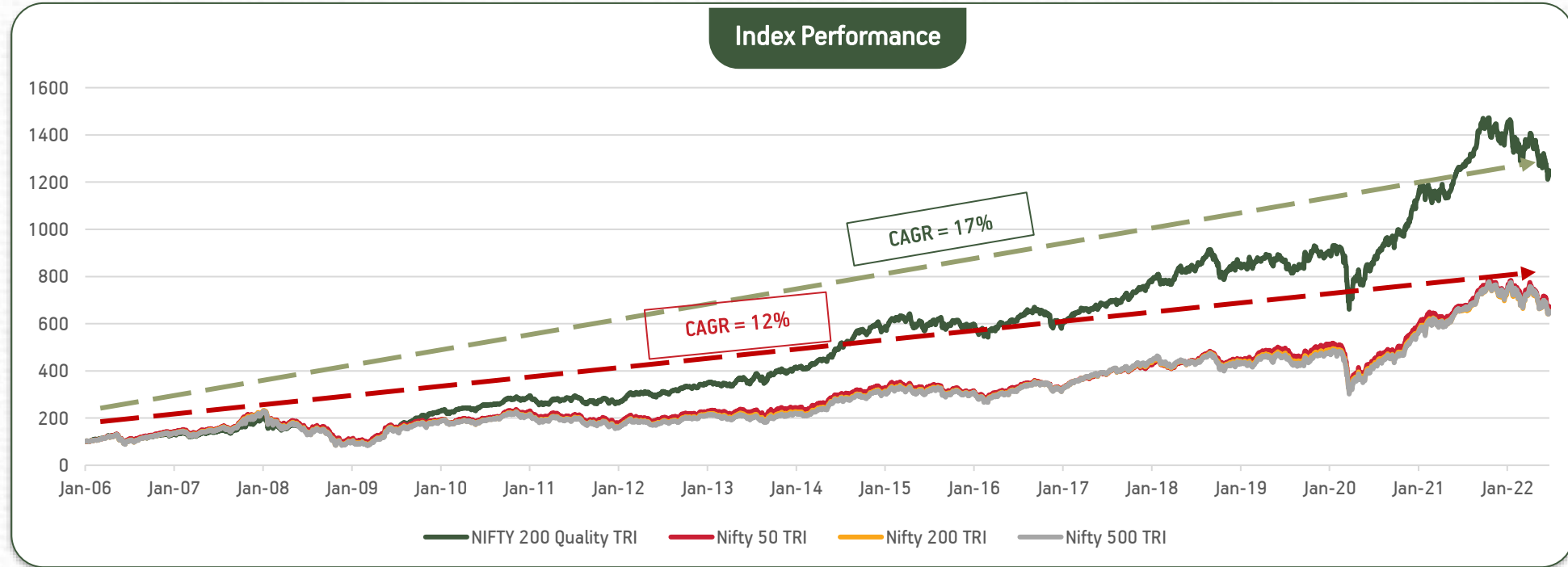
Rolling Return



	NIFTY 200 Quality 30 TRI	NIFTY 200 TRI
Standard Deviation	19.08%	22.03%
Beta (with NIFTY 50 TRI)	0.78	0.97
Sharpe	0.61	0.26
Sortino Ratio	0.77	0.33

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

Source: MFIE / NIFTY 200 Quality 30 TRI, NIFTY 200 TRI – 2 Jan, 2006 – 23 June 2022; Standard deviation taken from Nifty 200 Quality 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**



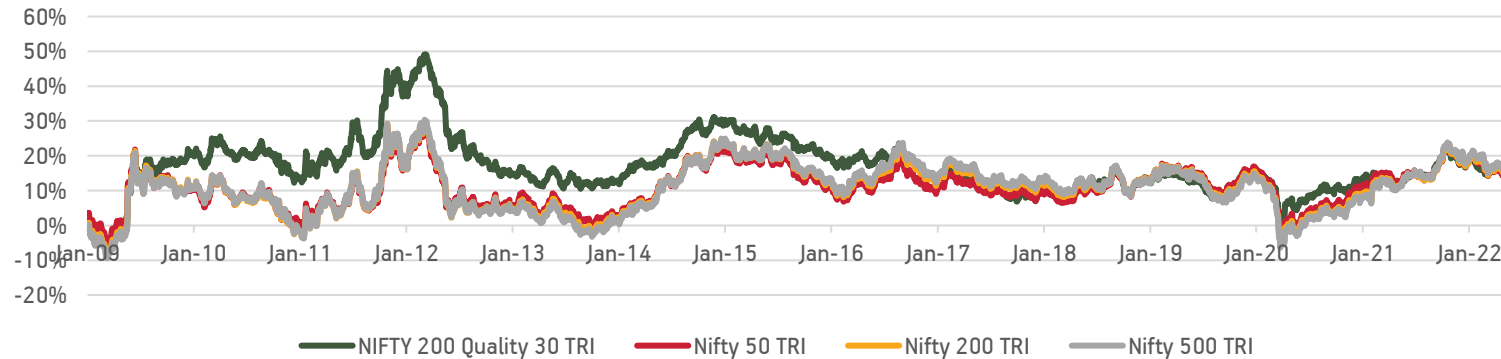
Metrics	NIFTY 200 Quality 30 TRI
P/E Ratio	27.04
P/B Ratio	8.89
Dividend Yield	2.37%
Top 5 Stocks Weightage	27.51%

Nifty 200 Quality 30 TRI grew ~12x in the last 16 years, while Nifty 50 TRI, Nifty 200 TRI and Nifty 500 TRI Indices grew close to 6x only.

Source : Bloomberg, NIFTY 200 Quality 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 Quality 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

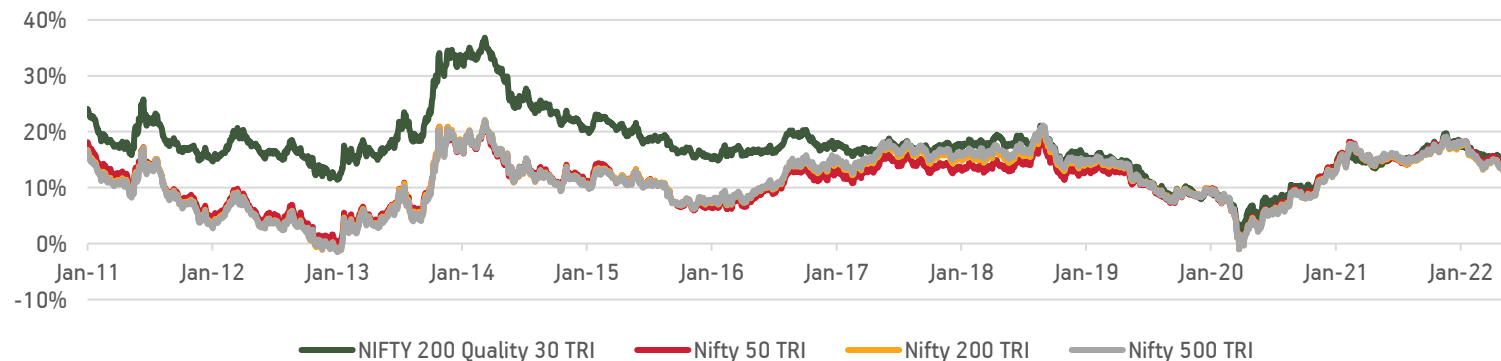
Ideal for continuous Investment over Long Horizon

3-Year Rolling Return



In over 77% instances,
for 3-Year Rolling
Return over 13 Years,
positive excess return
was generated

5-Year Rolling Return



In over 94% instances,
for 5-Year Rolling
Return over 11 Years,
positive excess return
was generated

Consistently better returns over long holding period.

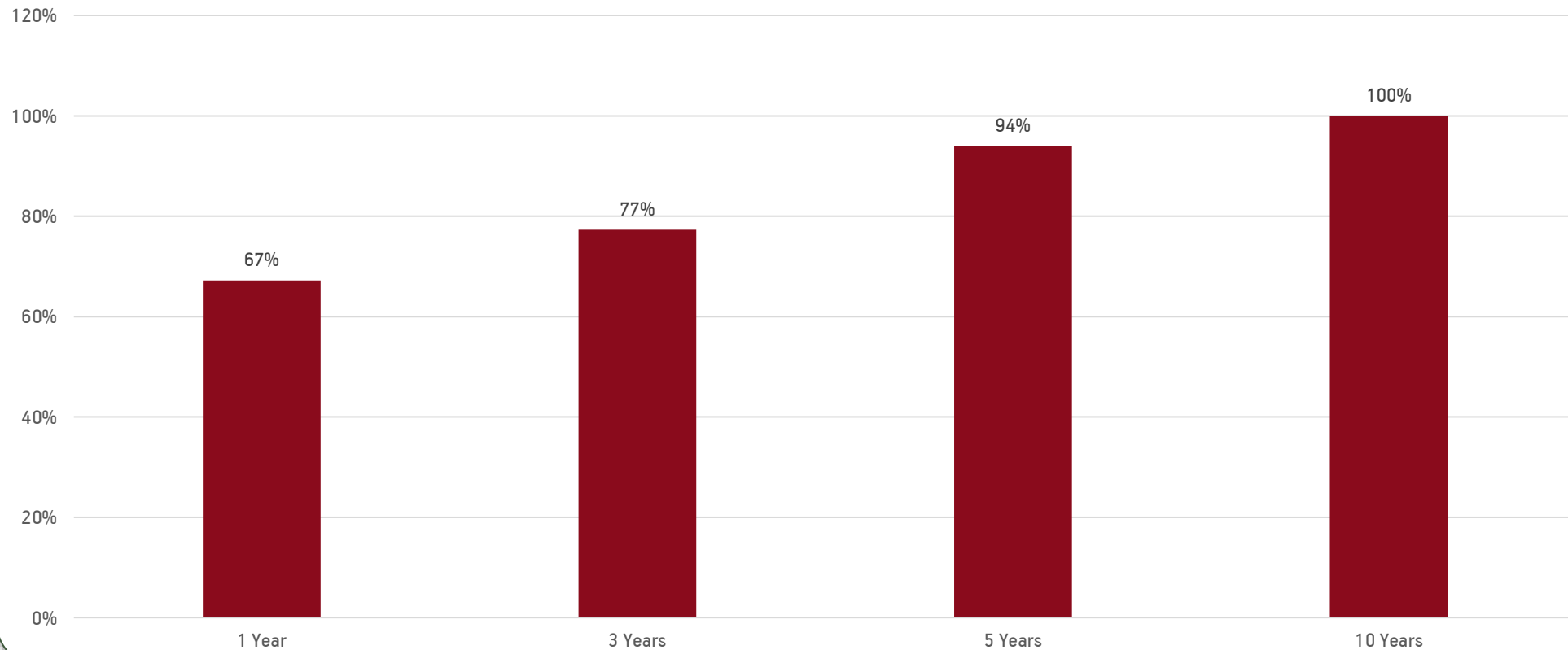
Source : Bloomberg, NIFTY 200 Quality 30 TRI, NIFTY 50 TRI, NIFTY 200 TRI, NIFTY 500 TRI, Note : Data was available from 2, Jan 2006 to 23, June 2022 // **Note: Past performance may or may not be sustained in the future.** The above are index returns provided for explanation purpose and should not be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

Ideal for long term Investors!

Aditya Birla Sun Life
Mutual Fund



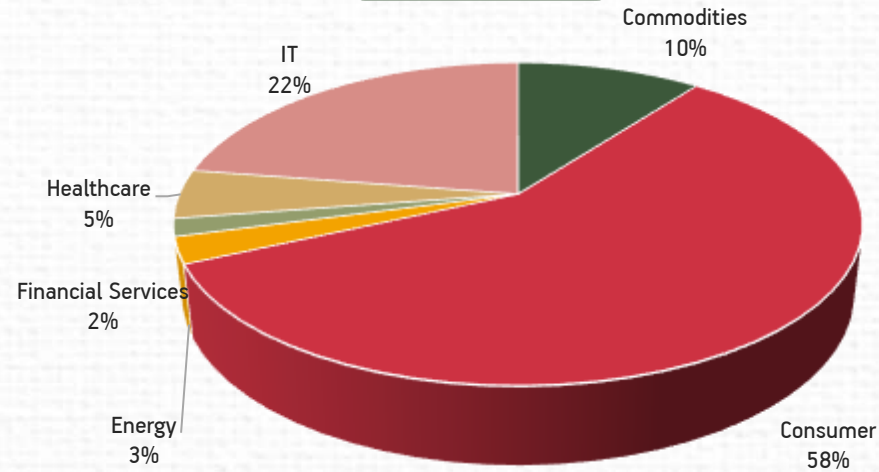
Historical Proportion of Positive Excess Returns (Over Nifty 200 Index)*



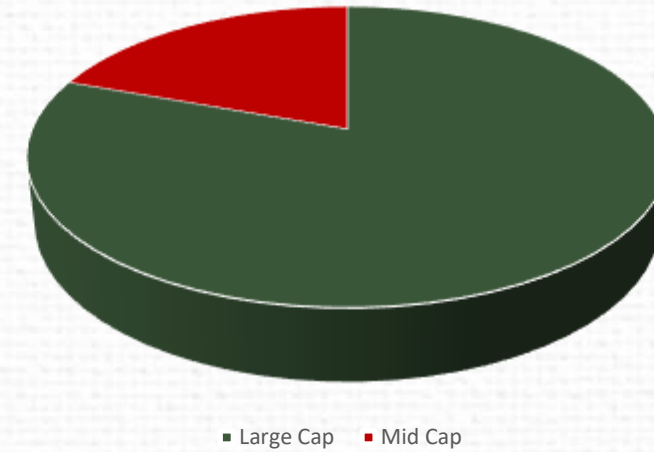
Probability of generating positive excess returns over Nifty 200 increases as holding period increases

Source : Bloomberg, NIFTY 200 Quality 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 historical proportion. **Past performance may or may not be sustained in the future**

Sector Weights



Market Capital Weightage



Security	Weightage	Sector
ITC LTD.	7.08%	CONSUMER
HINDUSTAN UNILEVER LTD.	5.51%	CONSUMER
NESTLE INDIA LTD.	5.06%	CONSUMER
TATA CONSULTANCY SERVICES LTD.	5.00%	IT
COAL INDIA LTD.	4.86%	COMMODITIES
BRITANNIA INDUSTRIES LTD.	4.60%	CONSUMER
ASIAN PAINTS LTD.	4.59%	CONSUMER
COLGATE PALMOLIVE (INDIA) LTD.	4.58%	CONSUMER
HCL TECHNOLOGIES LTD.	4.44%	IT
INFOSYS LTD.	4.43%	IT

Source : Nifty 200 Quality 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

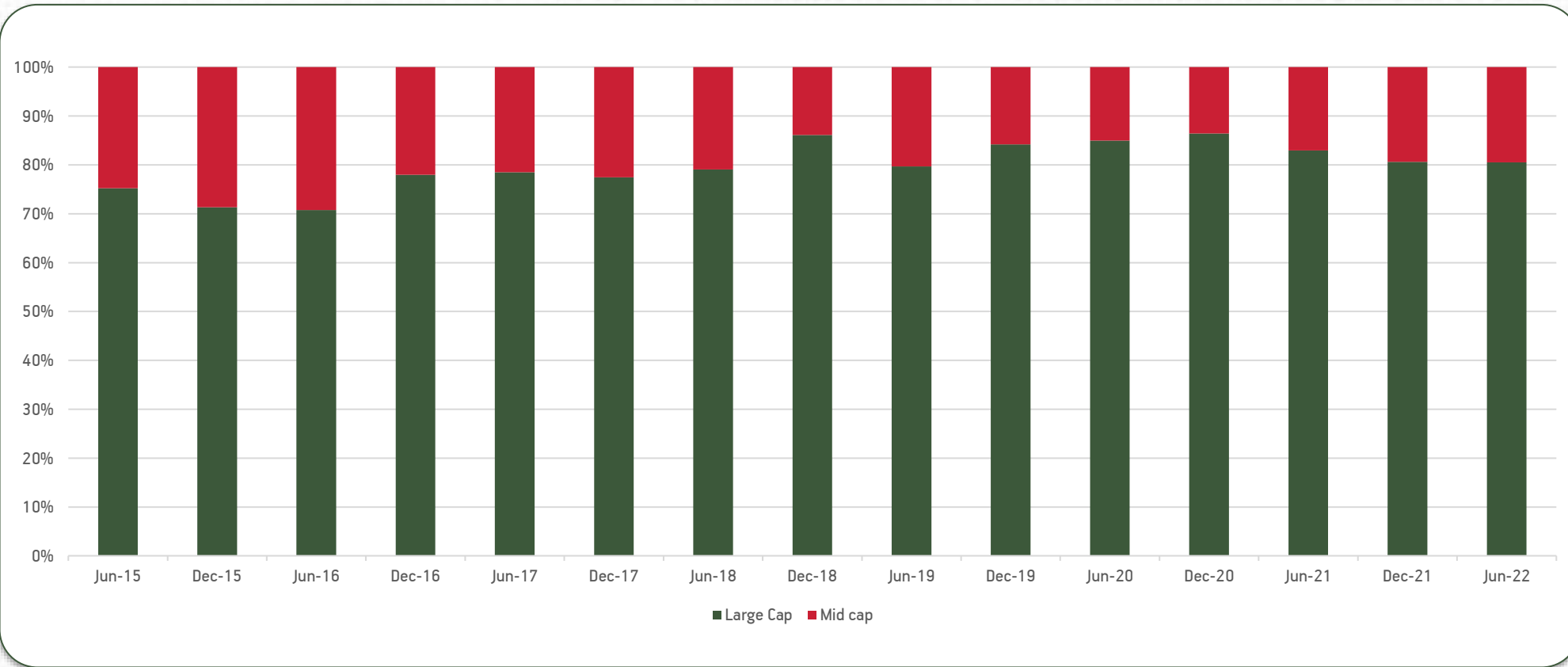
Nifty 200 Quality 30 TRI is more immune to cycles of economy than Nifty 50, 200 and 500 TRIs.

	Nifty 200 Quality 30 Index TRI	Nifty 50 TRI	Nifty 200 TRI	Nifty 500 TRI
2006	32%	42%	37%	36%
2007	51%	57%	66%	65%
2008	-50%	-51%	-56%	-57%
2009	131%	78%	89%	91%
2010	28%	19%	16%	15%
2011	-10%	-24%	-26%	-26%
2012	31%	29%	34%	33%
2013	20%	8%	6%	5%
2014	40%	33%	37%	39%
2015	2%	-3%	-1%	0%
2016	1%	4%	5%	5%
2017	30%	30%	35%	38%
2018	9%	5%	0%	-2%
2019	6%	13%	10%	9%
2020	26%	16%	17%	18%
2021	26%	26%	29%	32%
2022	-13%	-10%	-11%	-12%

Nifty 200 Quality 30 TRI has provided 17% 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 Quality 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

Large Cap Orientation



Nifty 200 Quality 30 TRI is predominantly a large cap-oriented index

Source : Bloomberg, NIFTY 200 Quality 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 Aditya Birla Sun Life Factor ETFs?



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

Quality – Form is temporary, class is permanent



Access to highly & consistently profitable companies with less leverage



Focus on defensives healthy companies across market cycles



Strong performance of the underlying index

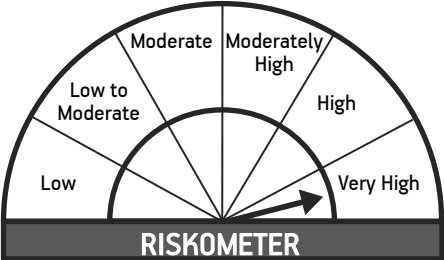
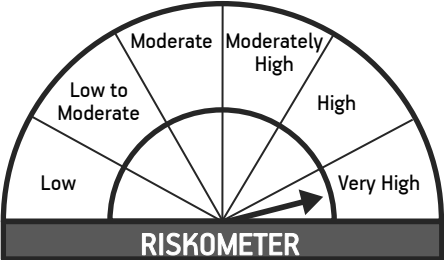


Predominantly large cap oriented



Scheme	Aditya Birla Sun Life Nifty 200 Quality 30 ETF		
Structure	An open ended exchange traded fund tracking Nifty 200 Quality 30 TRI		
Investment Objective	The investment objective of the Scheme is to generate returns that are in line with the performance of Nifty 200 Quality 30 Index, subject to tracking errors. The Scheme does not guarantee/indicate any returns. There can be no assurance that the objective of the Scheme will be achieved.		
Asset Allocation (as a % of net assets)	Instrument	Normal Allocation (% of total Assets)	Risk Profile
	Equity & Equity related instruments constituting Nifty 200 Quality 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	81,000 units and in multiples thereof		
Benchmark	Nifty 200 Quality 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 Quality 30 TRI
Aditya Birla Sun Life Nifty 200 Quality 30 ETF (An open ended exchange traded fund tracking Nifty 200 Quality 30 TRI)	<ul style="list-style-type: none"> Investors seeking returns that are in line with the performance of Nifty 200 Quality 30 Index, subject to tracking errors Investments in the stocks belonging to Nifty 200 Quality 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>
*Investors should consult their financial advisors if in doubt whether the product is suitable for them.			

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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