

INVESTING in midcap index fund could provide opportunities to grow with rising companies in the long run.



**Aditya Birla Sun Life
Nifty Midcap 150 Index Fund**

(An open ended scheme tracking the Nifty Midcap 150 TR Index)

NFO opens: March 15, 2021 | **NFO closes:** March 26, 2021

Mutual Funds

Aditya Birla Sun Life Mutual Fund



**ADITYA BIRLA
CAPITAL**

1800-270-7000

How does Midcap Equities hold in the future?

- **‘GOLDILOCKS’ macroeconomic backdrop (strong growth and low rates) for Equities** is driving **risk-on sentiment globally** which could benefit Emerging Markets, including India.
- **Indian economy is also at an inflection point.** Economic activity is at pre-COVID levels as evidenced by various high frequency data points. Rural economy continues to be resilient. **Economic growth estimates are being upgraded.** India’s growth has highest catch-up potential post major reforms announced by the government.
- Earnings which have been depressed for a few years are showing reasonably strong growth. We are **entering into an earnings upgrade cycle** after a long time which could drive markets going forward.

Source: Morgan Stanley, Credit Suisse, ABSLAMC Research

Government Policies that may fuel Midcap

**Ayushman
Bharat**
PM-JAY

GST
1 Nation
Tax
Market

**Maharashtra Real
Estate Regulatory
Authority**
Maha-Rera

**Atmanirbhar
Bharat**

- **Ease of Living:** One Nation, One Card, Smart Cities, Ayushman Bharat and Pradhan Mantri Awas Yojna.
- **Ease of Doing Business:** Tax Reforms, Liberalized FDI regime, Decriminalisation of Company Acts defaults and India’s Ease of Doing Business ranking has improved from 142 in 2014 to 63 in 2019.
- **Formalisation of Economy:** GST-One Nation, One Tax Reduction in Corp Tax-Making India an attractive destination and Direct Tax Reforms-Transparent taxation, easier compliance for startups.
- **Job Creation in Formal Sector:** Labor Reforms, Agriculture deregulation and reforms, MSME Definition Changes and PLI Scheme-Strengthening Domestic Manufacturing.
- **Factor Market Reform:** Land-RERA, Labor-Simplification of 44 laws into 4 codes
- Capita;-IBC, Power-Sector reforms, Entrepreneur-Atmanirbhar Bharat, MSME Technology-JAM Trinity, DBT, BhartNet.

Atmanirbhar Bharat/Make in India

Push for Atmanirbhar Bharat should drive Domestic Manufacturing, Private capex, Import substitution & Exports.

Can India become the next big manufacturing hub?

Push Factors

- High dependence of global firms on neighbouring countries
- Supply chains disrupted during Covid-19
- Diversification of manufacturing already in progress
- US-China relations could sour further



Pull Factors

- Rapidly reducing infra deficit
- Labour/power reforms
- Large domestic market & growing
- Corporate taxes slashed; gap vs rest narrowed, PLI scheme and import embargoes introduced



What is an Index Fund?

- A type of mutual fund that seeks to mimic the composition and performance of an underlying index.
- It invests in the same stocks & proportion that are comprised in the index that it tracks. For E.g. – A NIFTY 50 Index Fund will invest in the 50 stocks that are comprised within the NIFTY 50 Index.
- It follows a passive management strategy – i.e.: its portfolio changes only when there is a change in the underlying index/index re-balancing.



Why Index Fund?

- It is a **simple investing tool** to enter and participate in the equity market. Can be a stepping stone for novice investor or hassle-free investment solution for nuanced investor.
- Follows the **rule of natural selection** - typically companies that do well stay in the index while others drop out. This way the index does the work of stock selection for the investor.
- Provides **higher diversification** to investors with low minimum investments.
- Lends a **good degree of liquidity** to the investor's portfolio.
- Its passive investment strategy means **lower fund manager risk and lower costs** for investors.

Introducing **Aditya Birla Sun Life Nifty Midcap 150 Index Fund**, an open ended scheme tracking the Nifty Midcap 150 TR Index.



Investment Objective

The Scheme seeks investment return that corresponds to the performance of Nifty Midcap 150 Index subject to tracking error.



Midcap Stocks

Represents top 150 companies (companies ranked 101 - 250) from the Nifty 500 Index, selected on the basis of their full market capitalisation.



Why Invest in Aditya Birla Sun Life Nifty Midcap 150 Index Fund?

- Provides portfolio exposure to stocks operating in high growth sectors (e.g. Sunrise sectors). These sectors can flourish in a high growth developing economy like India.
- Midcap stocks are typically in their growth phase – Midcap Index fund provides exposure to **such high growth businesses** that may not be available in large cap segments.
- Investors will get access to a diverse portfolio of 150 midcap stocks with low minimum investments
- **Provides opportunity to invest in midcaps that have the potential to become the large caps of tomorrow**



This fund is suitable for investors who:

- Are looking to invest in the midcap segment of the market.
- Seek high-risk, high-potential capital growth.
- Have a long-term investment horizon - 5 years or more.
- Want to invest in companies with higher domestic focus - reducing risk of global economy.
- Prefer low-cost exposure to a diversified portfolio of midcap stocks.
- Do not want to associate with risks inherent in active stock picking.
- Want to gain from policy bias towards #MakeInIndia & Atmanirbhar Bharat.

We offer a wide range of Mutual Fund solutions to cater to your specific investing needs.

To know more about the various solutions, please contact our advisor or visit our website adityabirlasunlifemf.com

Savings

Regular
Income

Tax
Saving

Wealth



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Scheme:	This product is suitable for investors who are seeking*:	
Aditya Birla Sun Life Nifty Midcap 150 Index Fund (An open ended scheme tracking the Nifty Midcap 150 TR Index)	<ul style="list-style-type: none"> • Long term capital appreciation • Investments in Equity and equity related securities replicating the composition of the Nifty Midcap 150 Index <p>*Investors should consult their financial advisors, if in doubt whether the product is suitable for them.</p>	<p>RISKOMETER Investors understand that their principal will be at Very High risk</p>