

2023

Mirae Asset Nifty India Manufacturing ETF

(NSE: MAMFGETF BSE: 543454)

(An open-ended scheme replicating/ tracking Nifty India Manufacturing Index)

Mirae Asset Nifty India Manufacturing ETF Fund of Fund

(An open-ended fund of fund scheme investing in units of Mirae Asset Nifty India Manufacturing ETF)

MIRAE ASSET INVESTMENT MANAGERS (INDIA) PVT. LTD

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Executive Summary:

- Mirae Asset Nifty India Manufacturing ETF (NSE:MAMFGETF BSE: 543454) and Mirae Asset Nifty India Manufacturing ETF Fund of Fund (“The Schemes”) aims to represent the manufacturing sectors of India, which is expected to beef up post government initiative such as Make in India and Production Linked Incentive (PLI) etc.
- With government focus on reducing import dependence and aim to make India a global manufacturing hub and an export leader, we are bullish on the sectors that are expected to contribute in the growth story of manufacturing in India.
- The schemes seeks to provide exposure to the entire gamut of manufacturing sectors with exposure to companies belonging to top 300 companies from 40 different industries in a diversified manner.
- Currently the schemes have exposure to 77 stocks across 8 manufacturing sectors with 71.3% exposure to large-cap segment, 28.0% exposure to mid-cap and 0.7% exposure to small-cap segments. *(SEBI M-Cap Type Classification; for complete portfolio, please refers Page 8 Annexure: Portfolio)*
- In the past 15 years, the benchmark, Nifty India Manufacturing Index has generated 10.8% return vis-à-vis 10.4% return generated by Nifty 50 Index. The benchmark index has also outperformed NIFTY 50 Index, in last 6 out of 10 calendar years *(Please refer Page 4 Table 2 for detailed performance)*
- With actively managed manufacturing funds charging an average TER of 245 bps (Regular Plan: 238 bps Direct Plan: 127 bps*), Mirae Asset Nifty India Manufacturing ETF provides an investor a relatively low cost alternative to participate in India’s growing manufacturing sectors at a TER of just 35 bps. *(Total Expense Ratio is as on Mar 31, 2023; 3 Active Schemes focused on manufacturing theme are considered; Average calculated is arithmetic mean of expense ratios).*

Why Mirae Asset Nifty India Manufacturing ETF?

The Fund:

- Aims to provide potential broad exposure to the key manufacturing segments of Indian Economy
- May potentially allow investor to participate in the growth of key manufacturing segments, which are the focus areas of the government through various initiatives like Production Linked Incentive (PLI) Scheme
- The exposure is only confined to core manufacturing sector/industries. The Fund excludes any company engaged in service sector, utilities sector and construction sector etc.
- Seeks to take potential benefits from emerging spaces like Electric Vehicles, Defense, Electronics etc.
- Has low overlap with NIFTY 50 Index and majority of active funds will potentially help investor diversify their portfolio.
- The benchmark index has outperformed NIFTY 50 Index, in last 6 out of 10 calendar years *(Please refer Page 4 Table 2 for detailed performance)*
- Provides relatively low cost and rule based investment approach to take exposure in manufacturing theme.

Product Summary:

Particular	Description
Scheme Name	Mirae Asset Nifty India Manufacturing ETF (NSE:MAMFGETF BSE: 543454)
	Mirae Asset Nifty India Manufacturing ETF Fund of Fund
Launch Date	ETF: 27 th Jan 2022 / FOF: 31 st Jan 2022
Number of Constituents	Variable (Currently 77 stocks)
Stock or Sector Capping	Stock Capping & Sector Floor
Universe	Nifty100, Nifty Midcap 150 and Nifty SmallCap 50 Index
Stock capping in Benchmark Index	Free float market capitalization subject to minimum 5% of individual securities
Sector Floor in Benchmark Index	Automobile & Capital Goods sector to have minimum weight of 20%
AMFI Sector's excluded entirely	Cement & Cement Products, Constructions, Consumer Services, Financial Services, HealthCare Services, Information Technology (IT), Media Entertainment & Communication, Power, Services & Utilities.
Benchmark Index	Nifty India Manufacturing Index (TRI)
Total Expense Ratio (As on March 31,2023)	
Mirae Asset Nifty India Manufacturing ETF	Regular Plan: 35 bps
Mirae Asset Nifty India Manufacturing ETF Fund of Fund *	Regular Plan: 60 bps Direct Plan: 14 bps
Net Asset Value (As on March 31,2023)	
Mirae Asset Nifty India Manufacturing ETF	₹ 80.2227
Mirae Asset Nifty India Manufacturing ETF Fund of Fund	Growth Option IDCW ^
Direct	₹ 10.124 ₹ 10.124
Regular	₹ 10.075 ₹ 10.112

* Investors will have to bear cost of underlying scheme i.e. Mirae Asset Nifty India Manufacturing ETF of 0.35% additionally to TER of the scheme.

Table 1: Sector level distribution (in %)

Sector	Nifty India Manufacturing Index	Nifty 50 Index	Nifty 500 Index
Capital Goods	20.2%	-	3.9%
Automobile and Auto Components	20.0%	5.3%	5.6%
Healthcare	15.4%	3.8%	5.0%
Metals & Mining	14.5%	3.7%	3.1%
Chemicals	13.5%	0.5%	2.8%
Oil, Gas & Consumable Fuels	8.7%	12.1%	9.6%
Consumer Durables	5.9%	3.0%	3.6%
Textiles	1.8%	-	0.4%
Financial Services	-	37.7%	31.7%
Information Technology	-	14.1%	11.2%

*Data as on Mar 31, 2023, National Stock Exchange (NSE), The Industry/Sector classification is as per Association of Mutual Funds in India (AMFI).

- Nifty India Manufacturing Index offers no exposure to infrastructure, services and communication. The exposure is confined majorly to core manufacturing sector/industries.
- The cumulative weight of top four sector i.e. capital goods, automobile, healthcare and metals is restricted to only 17.6% in Nifty 500 Index and 12.8% in Nifty 50 Index. These sectors dominate the Indian manufacturing space and have representation of around 70.1% in Nifty India Manufacturing Index.
- Distinct sectorial exposure provided by the Nifty India manufacturing Index complements and doesn't overlap with the underlying exposure provided by Nifty50 Index and Nifty500 Index.

Table 2: Performance Comparison with other broad-based indices:

Return in INR (Indian Rupee) (in %)

Period	Nifty 50 Index	NIFTY 500 Index	Nifty India Manufacturing Index
15 Years	10.4%	10.6%	10.8%
10 Years	13.2%	13.9%	14.2%
5 Years	12.7%	11.5%	9.9%
3 Years	27.8%	29.0%	36.1%
1 Year	0.6%	-1.2%	0.9%
YTD 2023	-4.0%	-5.7%	-3.4%
6 Months	1.8%	-1.6%	-2.4%
3 Months	-4.0%	-5.7%	-3.4%

**Data as on Mar 31, 2023. National Stock Exchange (NSE), Past performance may or may not sustain in future. The index return is in Total Return Variant. Returns less than 1 year are absolute returns and above 1 year are CAGR returns. The data shown above pertains to the Index and does not in manner indicate performance of any scheme of the Fund.*

Calendar Year Performance (in %)

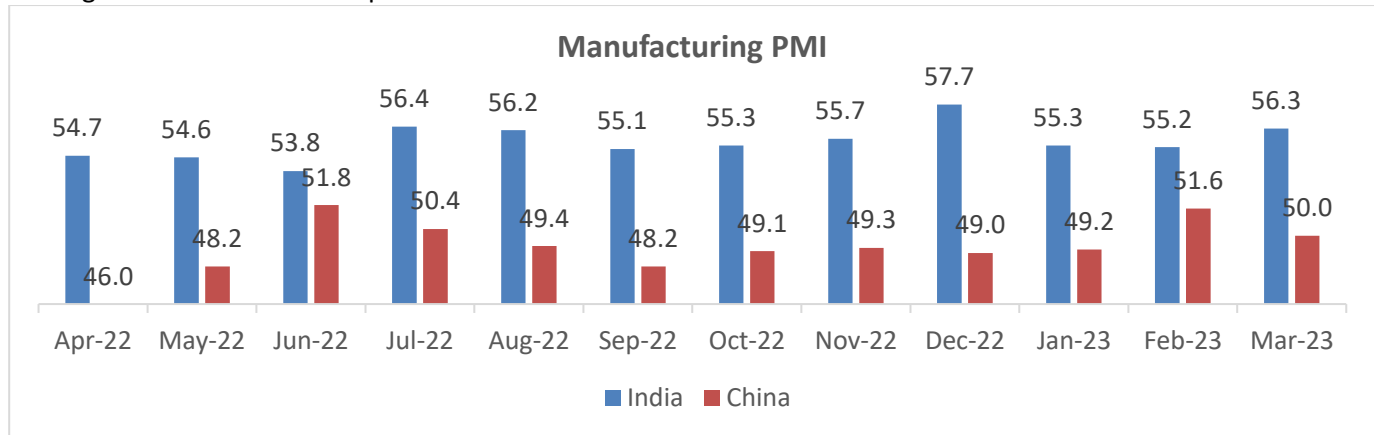
CY	Nifty India Manufacturing Index	Nifty 50 Index	NIFTY 500 Index
2022	5.3%	5.7%	4.2%
2021	37.4%	25.6%	31.6%
2020	24.7%	16.1%	17.9%
2019	-3.4%	13.5%	9.0%
2018	-15.0%	4.6%	-2.1%
2017	32.7%	30.3%	37.7%
2016	7.6%	4.4%	5.1%
2015	3.1%	-3.0%	0.2%
2014	47.0%	32.9%	39.3%
2013	7.0%	8.1%	4.8%
2012	29.3%	29.4%	33.5%
2011	-30.9%	-23.8%	-26.4%

**Data as on Dec 30, 2022. National Stock Exchange (NSE), Past performance may or may not sustain in future. The index return is in Total Return Variant. Returns less than 1 year are absolute returns and above 1 year are CAGR returns. The data shown above pertains to the Index and does not in manner indicate performance of any scheme of the Fund.*

- Nifty India Manufacturing Index despite excluding financial services and Information Technology in the past 15 years generated return of 10.8% vis-à-vis 10.4% return generated by Nifty 50 Index.
- Between 2014 – 2016 (three calendar year), when manufacturing sector had a good run in the economy on the backdrop of launch of “Make in India” theme, the Nifty India Manufacturing Index has outperformed Nifty 50 Index and Nifty 500 Index consecutively.

Manufacturing PMI : India vs China

India Manufacturing PMI rose to a 3-month high of 56.4 in March 2023 from 55.3 in the previous month. Output rose at the quickest pace since last December and one that outpaced its long-run average, and new order growth was at 3-month peaks.



Source: Trading Economics; Data as on March 31, 2023; ~PMI: Purchasers Managers Index

Snapshot of PLI Initiatives in India

Government's Production Linked Incentive Schemes that cover 13 sectors may bring INR 4.79tn investments (1.78% of FY23E GDP) over life of the schemes (at least five years). At present, INR 418bn worth of investments have actually been made (0.16% of FY23E GDP). Automobiles and auto components PLI, which is one of the largest after semiconductor and display fabs, is in process of being implemented after 75 companies were approved for it. Semiconductor and display fab. PLIs have garnered significant interest with Vedanta & Foxconn JV alone committing INR 1.64tn worth investments.

Sector	Approved applications	Expected investment (₹ bn)	Actual investment (₹ bn)	Expected Production (₹ bn)	Actual Production (₹ bn)
Mobile Manufacturing	32	113	43	10,694	1,678
Pharma APIs/ KSMs	51	41	13	398	1
Medical Devices	21	11	6	331	2
Advanced Chemical Cells	4	450	In process	-	-
Electronic Tech. products	14	25	1	1,608	32
Auto & Auto Components	95	749	In process	2,315	-
Pharmaceutical drugs	55	174	187	7,750	126
Telecom	31	33	7	1,817	135
Textile products	64	198	15	1,939	-
Food products	149	77	49	1,203	864
Solar PV Modules	3	329	89	321	-
White Goods	64	68	9	1,183	13
Specialty steel	67	426	Pending	2,428	-
Drones	23	50	Pending	34	3
Semiconductor Display Fabs	2,073	2,050	Pending	-	-
Total	2,746	4,794	419	32,021	2,854

Source: Data as on Jan 31, 2023; Elara Securities; Ministry of Finance and PIB

Companies benefiting under PLI Scheme

Mirae Asset Nifty India Manufacturing ETF offers exposure to companies which are expected to benefit from government's Production Linked Incentive scheme. Majority of the companies forming part of the ETF portfolio are approved or have applied for benefits under the PLI scheme. The scheme would aid such companies in availing potential benefits like import and export duty, tax rebates, affordable land acquisition etc. which in-turn would let them improve their top-line and bottom-line growth rates in the coming future.

Sector	Companies Approved / Applied under PLI forming part of Manufacturing Index
Auto & Auto Components	Maruti Suzuki India Limited, Tata Motors Limited, Mahindra & Mahindra Limited, Bajaj Auto Limited, Eicher Motors Limited, Ashok Leyland Limited, Hero MotoCorp Limited, Bosch Limited, Sundaram Fasteners Limited, Minda Industries Limited, BHEL, Sona BLW Precision Forgings Limited, Bharat Forge Limited, SKF Limited, Cummins India Limited
Textile Products	Trident Limited
Advanced Chemistry Cell Battery	M&M, Reliance Industries, HEG, Graphite India, Exide, Neogen, Amara Raja, Rajesh Exports
White Goods	Havells India Limited, Voltas Limited, Crompton Greaves Consumer Electricals Limited, Dixon Technologies (India) Limited, Hindalco Industries Limited
Specialty Steel	SAIL, APL Apollo
Pharmaceuticals & Medical Devices	Sun Pharmaceutical Industries Limited, Cipla Limited, Dr. Reddy's Laboratories Limited, Aurobindo Pharma Limited, Lupin Limited, Torrent Pharmaceuticals Limited, Biocon Limited, Zydus Lifesciences Limited, Siemens Limited
Semiconductors	Tata Elxsi, JVs with leading foreign players: Vedanta Limited, Dixon Technologies Eligible Companies: Bharat Electronics Limited
Iron & Steel	Eligible Companies: Tata Steel Limited, JSW Steel Limited, Steel Authority of India Limited, Hindalco Industries
Chemical Cells	Reliance Industries Limited

Source: March 31, 2023; Goldman Sachs Investment Research: Make in India; HFDC Securities; PLI: Spearheading India's manufacturing push

Future outlook for various manufacturing sectors

We are bullish on the manufacturing sector with increased support from fiscal schemes like PLI and Make in India focusing on three major categories:

- **Sunrise sectors:** Industries and goods that are in their nascent stages of manufacturing; semiconductors, ACC battery, advanced automobiles and drones.
- **Import substitution:** Domestic manufacturing industries and goods that have prominent domestic demand, which is primarily being met by imports; Solar PV modules, pharma APIs, medical devices, IT hardware and specialty steel.
- **Export focus:** Schemes targeting industries where the government aims to make India a global manufacturing hub and an export leader; large-scale electronics manufacturing, white goods, textiles, food processing, pharmaceutical drugs.

We divide the sector implication for the 14 PLIs into 3 broad buckets

Energy Transition (Solar, EV Battery and Auto) industries - will require heavy capex, longer gestation periods, and technology/supply partnerships with global companies/RM suppliers to meet the envisaged targets. While large groups are investing for full backward process integration, currently, revenue contribution from these businesses as a percentage of total is very small. So is the case for Auto PLI participants whose existing ICE businesses are much larger contributors to revenue and profitability. Public sector - the driver of capex spend over the past decade will continue to be the backbone of infrastructure activity in India, supported by private-sector spend in niche higher

growth areas like renewables, automation, data centers, with energy transition being a key focus area. This is visible in order inflows which are up 20-40% YoY for majority of industrial companies.

Import Substitution(large scale Electronics, IT hardware, Telecom & Networking Products, and White Goods (ACs and LEDs), API) industries are already seeing good progress given the low capex/technology requirement and a fast-growing domestic market for these products. EMS companies such as Dixon and Amber are seeing the benefit as electronic manufacturing shifts to India, gradually developing a holistic ecosystem in the country. Notably, Dixon is participating in 4 PLI schemes, the highest by any company so far. Global EMS companies like Wistron, Pegatron, Jabil, Flextronics are all increasing their presence in India. As % of revenue and EBITDA, EMS companies have the highest impact of the PLI scheme.

Traditional Industries like Pharma, Textile, Food Products are benefiting at the margin (as cost gap vs other Asian countries narrows due to the PLI incentive). However, scale and global competitiveness will be the key for success, thereby resulting in increased employment generation. Cap goods sector is seeing tailwinds given government-led infrastructure capex and PLI scheme-led capex in multiple sectors. Favourable policy, deleveraged balance sheets, improving capacity utilization and government incentives are key triggers for revival in private capex cycle (cement, steel, renewables, data centres, etc.).

(Source: Dec 30, 2022; Goldman Sachs Investment Research: Make in India, Mirae Asset Internal Research)

Annexure :Portfolio of Nifty India Manufacturing Index

COMPANY NAME	WT(%)	COMPANY NAME	WT(%)
RELIANCE INDUSTRIES LTD.	5.11%	HAVELLS INDIA LTD.	1.74%
TATA STEEL LTD.	4.91%	BAJAJ AUTO LTD.	1.68%
SUN PHARMACEUTICAL INDUSTRIES LTD.	4.90%	INDIAN OIL CORPORATION LTD.	1.67%
MARUTI SUZUKI INDIA LTD.	4.20%	EICHER MOTORS LTD.	1.54%
MAHINDRA & MAHINDRA LTD.	3.95%	HINDUSTAN AERONAUTICS LTD	1.54%
JSW STEEL LTD.	3.78%	CUMMINS INDIA LTD.	1.49%
HINDALCO INDUSTRIES LTD.	3.45%	PI INDUSTRIES LTD.	1.42%
DR. REDDY'S LABORATORIES LTD.	3.28%	APL APOLLO TUBES LTD.	1.39%
TATA MOTORS LTD.	2.82%	ASHOK LEYLAND LTD.	1.35%
CIPLA LTD.	2.75%	PAGE INDUSTRIES LTD.	1.33%
BHARAT ELECTRONICS LTD.	2.35%	BHARAT FORGE LTD.	1.33%
UPL LTD.	2.17%	CG POWER AND INDUSTRIAL	1.29%
DIVI'S LABORATORIES LTD.	2.10%	ABB INDIA LTD.	1.20%
PIDILITE INDUSTRIES LTD.	2.09%	HERO MOTOCORP LTD.	1.16%
SRF LTD.	2.04%	SUPREME INDUSTRIES LTD.	1.09%
SIEMENS LTD.	1.99%	VOLTAS LTD.	1.09%
BPCL	1.92%	CROMPTON GREAVES	1.09%
VEDANTA LTD.	1.78%	ASTRAL LTD.	1.06%

COMPANY NAME	WT(%)	COMPANY NAME	WT(%)
TUBE INVESTMENTS OF INDIA LTD.	1.01%	GRINDWELL NORTON LTD.	0.59%
LUPIN LTD.	0.91%	HONEYWELL AUTOMATION	0.54%
TATA CHEMICALS LTD.	0.88%	SOLAR INDUSTRIES INDIA LTD.	0.54%
POLYCAB INDIA LTD.	0.87%	BATA INDIA LTD.	0.53%
NAVIN FLUORINE INTERNATIONAL LTD.	0.85%	SAMVARDHANA MOTHERSON	0.52%
TORRENT PHARMACEUTICALS LTD.	0.82%	KAJARIA CERAMICS LTD.	0.51%
DEEPAK NITRITE LTD.	0.79%	LINDE INDIA LTD.	0.50%
AIA ENGINEERING LTD.	0.77%	SCHAEFFLER INDIA LTD.	0.44%
GUJARAT FLUOROCEMICALS LTD.	0.70%	HINDUSTAN ZINC LTD.	0.43%
LAURUS LABS LTD.	0.67%	SONA BLW PRECISION FORGINGS	0.42%
SKF INDIA LTD.	0.66%	ESCORTS KUBOTA LTD.	0.42%
MRF LTD.	0.65%	RELAXO FOOTWEARS LTD.	0.36%
ATUL LTD.	0.65%	MOTHERSON SUMI WIRING	0.31%
BOSCH LTD.	0.63%	K.P.R. MILL LTD.	0.29%
DIXON TECHNOLOGIES (INDIA) LTD.	0.62%	CHAMBAL FERTILIZERS	0.24%
COROMANDEL INTERNATIONAL LTD.	0.60%	TRIDENT LTD.	0.19%
BALKRISHNA INDUSTRIES LTD.	0.59%	HINDUSTAN COPPER LTD.	0.19%
GRINDWELL NORTON LTD.	0.59%	MAZAGOAN DOCK SHIPBUILDERS	0.13%
		GRAPHITE INDIA LTD.	0.12%

Source: NSE Indices; Data as on Mar 31, 2023

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

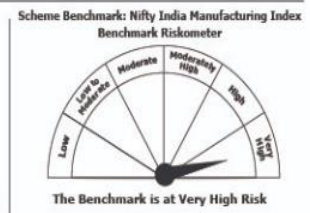
Please consult your financial advisor or mutual fund distributor before investing

PRODUCT LABELLING

Mirae Asset Nifty India Manufacturing ETF is suitable for investors who are seeking*

- Returns that are commensurate with the performance of the Nifty India Manufacturing Total Return Index, subject to tracking error over long term
- Investment in equity securities covered by Nifty India Manufacturing Total Return Index

*Investors should consult their financial advisors if they are not clear about the suitability of the product.



PRODUCT LABELLING

Mirae Asset Nifty India Manufacturing ETF Fund of Fund is suitable for investors who are seeking*

- To generate long-term capital appreciation/ income
- Investments predominantly in units of Mirae Asset Nifty India Manufacturing ETF

*Investors should consult their financial advisors if they are not clear about the suitability of the product.

