

Mirae Asset Nifty 100 ESG Sector Leaders ETF (NSE: MAESGETF BSE: 543246)

An open-ended scheme replicating/tracking Nifty100 ESG Sector Leaders Total Return Index
(Formally known as Mirae Asset ESG sector leaders ETF)

Mirae Asset Nifty 100 ESG Sector Leaders Fund of Fund

An open-ended fund of fund scheme predominantly investing in Mirae Asset Nifty 100 ESG Sector Leaders ETF
(Formally known as Mirae Asset ESG sector leaders FoF)

What is ESG?



Investment philosophy is changing

This is how it used to happen

Traditional Investing



Analysis based on financial parameters



Focus on profitability



This is where it is shifting to

Sustainable Investing



Analysis based on financial parameters



Focus on Environmental, Social and Governance



Focus on profitability



Sustainable business model



Increasing stakeholder activism and globalization is shifting company and investor focus towards sustainable growth and development.

Sustainable Investing: Invest in companies with sustainable business models



Sustainable Investing incorporates Environmental, Social and Governance (ESG) factors into investment decisions as a mean to contribute towards the sustainable development of the community, better manage company specific risk and potentially enhance long-term returns.

**Sustainable Investing also includes positive/best-in-class screening, norm based screening, corporate engagement and shareholder action etc.*

Focus on ESG factors: Increasing importance of non-financial parameters



Focus now on environmental, social and governance (ESG) factors to make companies grow sustainably with positive impact on internal and external stakeholders.

Focus now on how money is made: Integrate ESG in ethos of the company



Why ESG investing?



Companies facing increased exposure to ESG factors

Environmental



Rise in
Air Pollution



Deforestation and
Mining



Water
Contamination



Climate
Change



Waste
Management

Social



Increasing
labor strike



Sexual
Harassment



Affordable
Housing Scheme



Data
Privacy



Eco - friendly
product

Governance



Increasing
regulatory issues



Whistleblower
complaints



Money laundering
& corruption



Rise in
financial frauds



Resignation of
Independent Directors

ESG issues are gaining traction and becoming material events

Environmental (E)

Indian Oil Market Companies along with few others fined Rs. 286 Cr for Mahul Pollution.

Four companies operating in Mahul, Mumbai including Oil Marketing Companies will have to pay over 286 crore for increasing air pollution.

- Times of India

Thousands of protesters hit the streets demanding closure of copper plant in Thoothukudi, India

Local residents argue that the existing smelter has been polluting their water and air since it was established in 1996.

- The Indian Express

Social (S)

Social Media giant to pay \$ 5 billion as regulator settles breach of data privacy compliant.

Social Media giant will pay a record \$5bn (£4bn) penalty in the US for "deceiving" users about their ability to keep personal information private, after a year-long investigation.

- The Guardian

US Fines Indian Drug Pharma company with penalty of US \$500 Million.

Indian pharma company pleaded guilty to seven counts of felony after it distributed several India-produced adulterated generic drugs in the U.S. in 2005-2006.

- Industry Week

Governance (G)

India's second-largest public lender reports yet another loan fraud, shares tank over 6%.

The lender said that the fraud of Rs 3,688 crore related to the NPA account of a housing finance companies.

- Financial Express

Shares of Indian airlines tank 19 per cent as promoters' spat spills out in public.

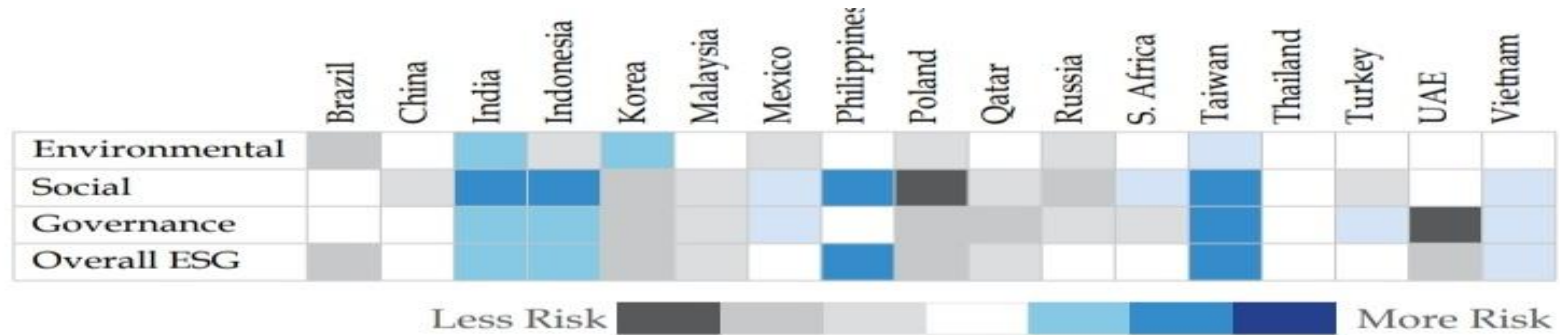
Share of operator of the low-cost carrier tanked more than 19 per cent after one of the company's co-founders approached SEBI over alleged corporate governance issues at the airline.

- Financial Express

Why ESG is important now!

2010	2014	2018	2021
Asset Price Collapse	Fiscal crises	Weapons of Mass Destruction	Infectious Diseases
Retrenchment from Globalization	Climate Change	Extreme Weather	Climate Action Failure
Oil & Gas Price hike	Water Crises	Natural Disasters	Weapons of Mass Destruction
Chronic Diseases	Unemployment	Failure of climate change mitigation	Human Environmental Damage
Fiscal crises	Infrastructure breakdown	Water Crises	Biodiversity Loss

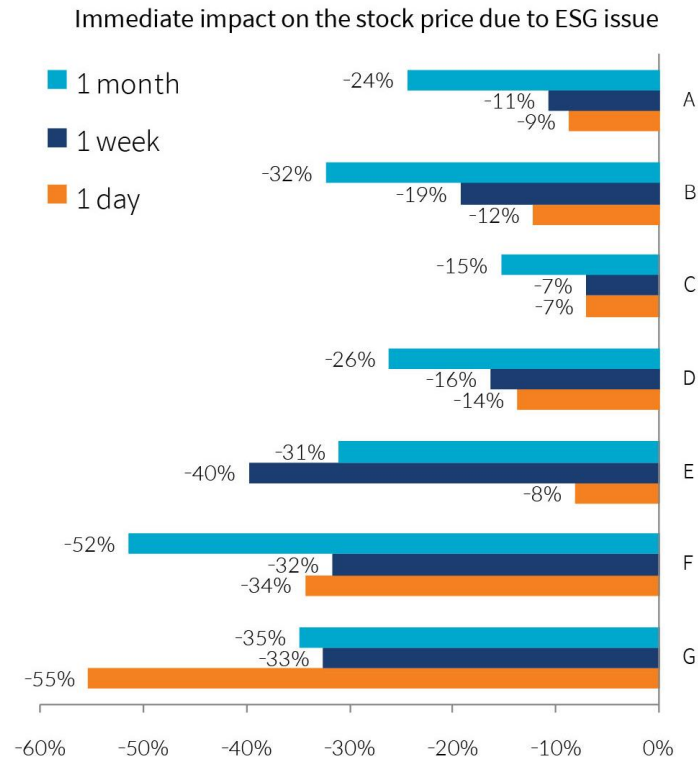
As per global risk report, 4 out of 5 top risks are related to environmental & societal issues



India faces higher ESG risk than other emerging economies

ESG issues are gaining traction and becoming material events

Sr. No	Description
A	In May 2013, an Indian Pharma company pleaded guilt of felony charges related to drug safety and agreed to pay fine of USD 500 million.
B	In Feb 2018, India's second largest public lender discloses failure of governance mechanism that failed to prevent the massive fraud.
C	In May 2018, people at Thoothukudi protested against expansion of copper smelter plant citing environmental damages.
D	In Dec 2018, Mismanagement of funds at conglomerate engaged in leasing & financing led to significant loss to investor was discovered.
E	In Jan 2019, housing finance company was accused of siphoning off Rs. 31,000 Cr.
F	In Dec 2019, charges of financial fraud came up at another housing finance company listed in India.
G	In March 2020, RBI seized the board and management of the bank and appointed independent director due to lack of proper corporate governance.



ESG issues have created negative impact across several companies in recent past.

Not just risk avoidance: ESG creates positive impact on companies



Sustainable business model with ESG focus can give quick access and approval in domestic and foreign market, leading to growth in top line.

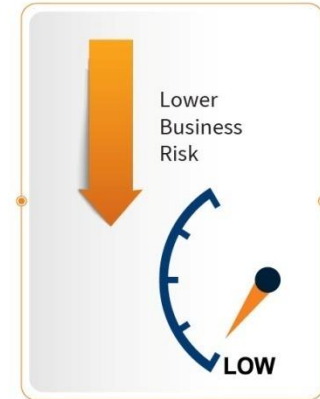
Strong ESG can lead to effective utilization of resource leading to cost saving.

Reduce regulatory and government intervention and increased support.

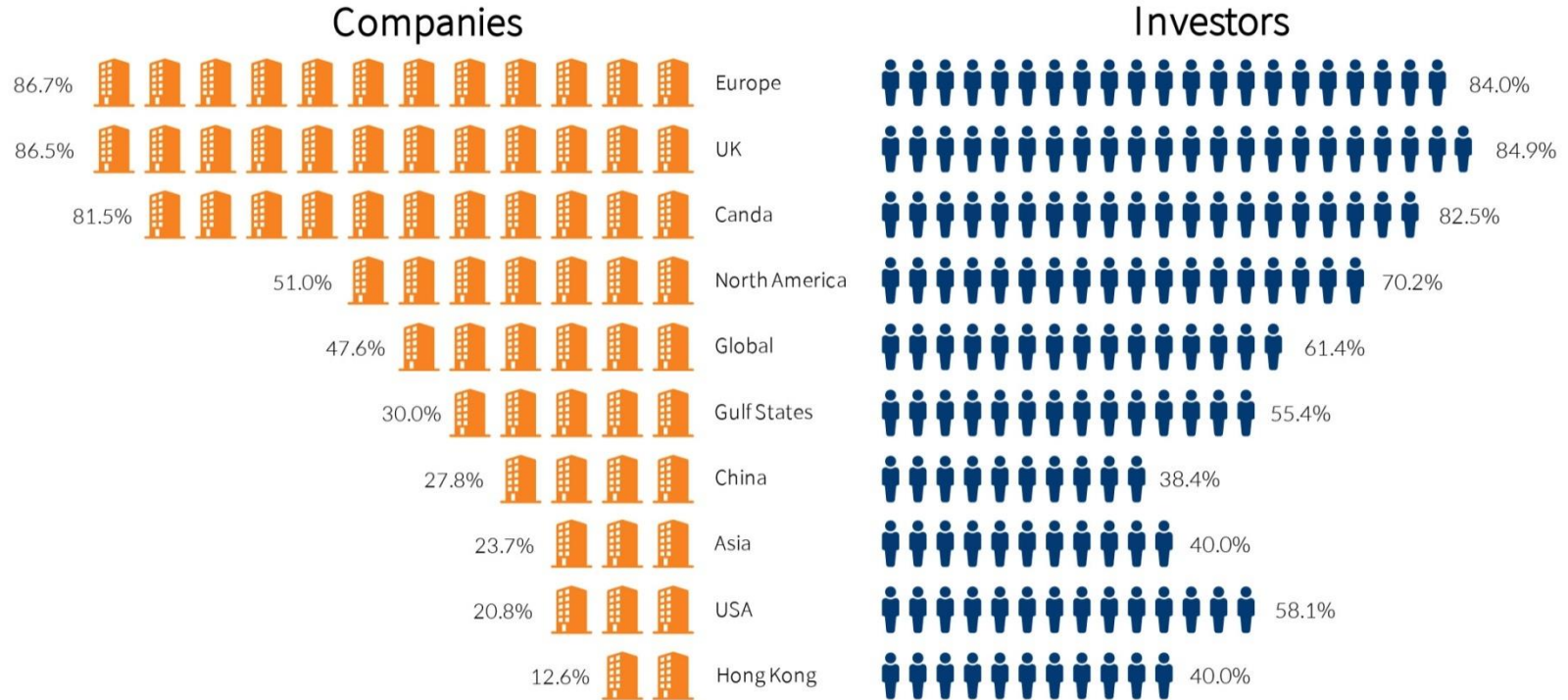
Retain, attract and motivate employees which may uplift their productivity.

Improve brand image and retain and attract customers.

By allocating capital to more promising & sustainable business, an organization can enhance project return.



Companies and investors both are flocking for sustainable investments



ESG has been adopted both by the investors and businesses globally

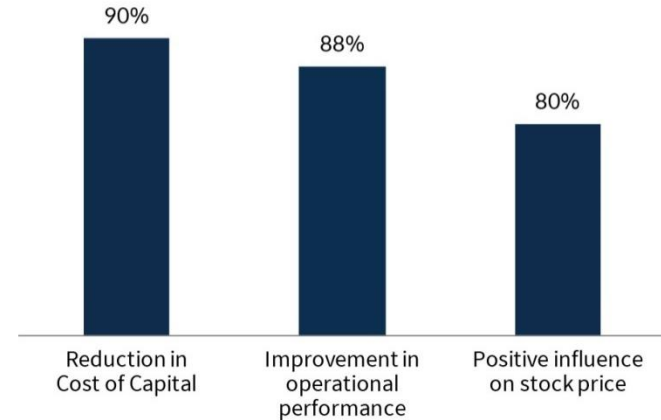
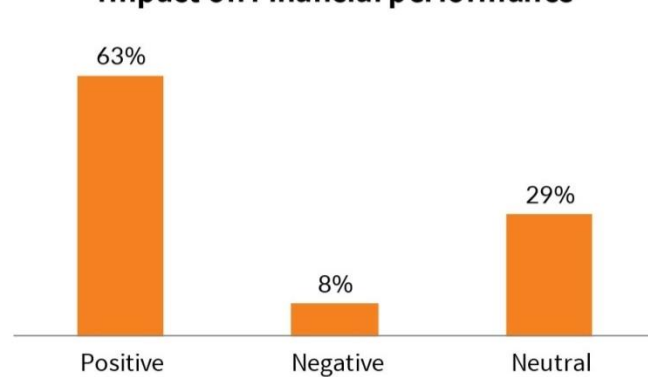
Does ESG create value for investor?



Sustainable companies have shown better financial and stock performance

- ▶ 80% of the studies analyzed by Oxford concluded that there is positive performance associated with ESG investing.
- ▶ 63% of studies indicated direct positive impact of ESG on Financial Performance.
- ▶ ESG leads to significant reduction in cost of capital leading to premium valuation.

Impact on Financial performance



ESG focused companies aims to create more wealth for Investor

Lower Risk



- Above average risk control standard
- Less frequent severe incident
- Lower stock specific risk and volatility

Improved financial performance



- More competitive advantage
- Better at developing long-term business plan
- Firm can leverage and generate higher level of profitability

Improve Valuation



- Higher sustainable cash flows and profitability
- Strong ESG can decrease cost of capital and improve valuation
- Better brand image

Focus on potential return to shareholder



- Focus on potential returns to shareholder
- Improved image & potentially higher valuation can help in commanding premium

Benefit of ESG Investing: Get ready for the future



Firms can be better at developing long term business plans.



Push companies to be answerable for any activity which has negative impact on society and environment.



Companies which integrate and develop strong ESG practice will reduce occurrence of severe events.



Companies that do not integrate ESG in long-run will lose competitive advantage which may have negative impact on companies growth, profit and sustainability.



Better brand image, better management of customer & employee relationship and operational process lead to increased productivity and competitive advantage.

Sustainable investing aims to generate long term wealth along with positive impact on the society.

Mirae Asset ESG Sector Leaders offerings



Mirae Asset Nifty 100 ESG Sector Leaders ETF (formerly know as Mirae Asset ESG Sector Leaders ETF)

A product created with expertise of multiple specialized entities.



ESG Research

Research analysis by Sustainalytics, one of the leading global ESG research provider.



Index Research

NSE has created NIFTY 100 ESG Sector Leaders Index with robust methodology and more ESG focused portfolio.



ETF Construction

With an aim to bring innovative ETF offering which may create long-term wealth, Mirae Asset Mutual Fund collaborated for product development.

About NIFTY 100 ESG Sector Leaders Index

The scheme will aim to track the performance of NIFTY 100 ESG Sector Leaders Index.



New Index by NSE which incorporates the latest research methodology by Sustainalytics, one of the global leaders in ESG research.



Index comprises of companies which have scored well on management of Environmental, Social and Governance (ESG) Factors.



Avoid taking exposure into companies engaged in the business of tobacco, gambling, alcohol and controversial weapon.



Avoid Investments in companies with controversies on E, S and G pillar.

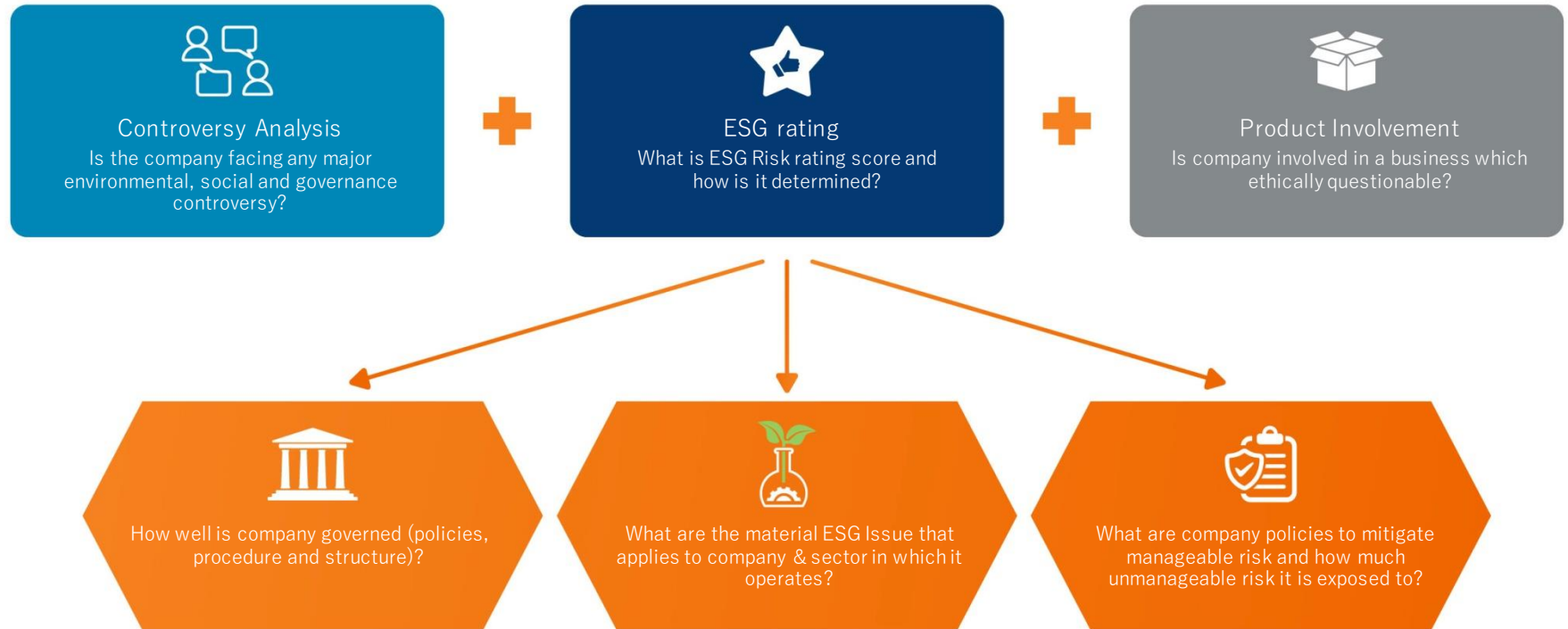


Compared against the best of the world.



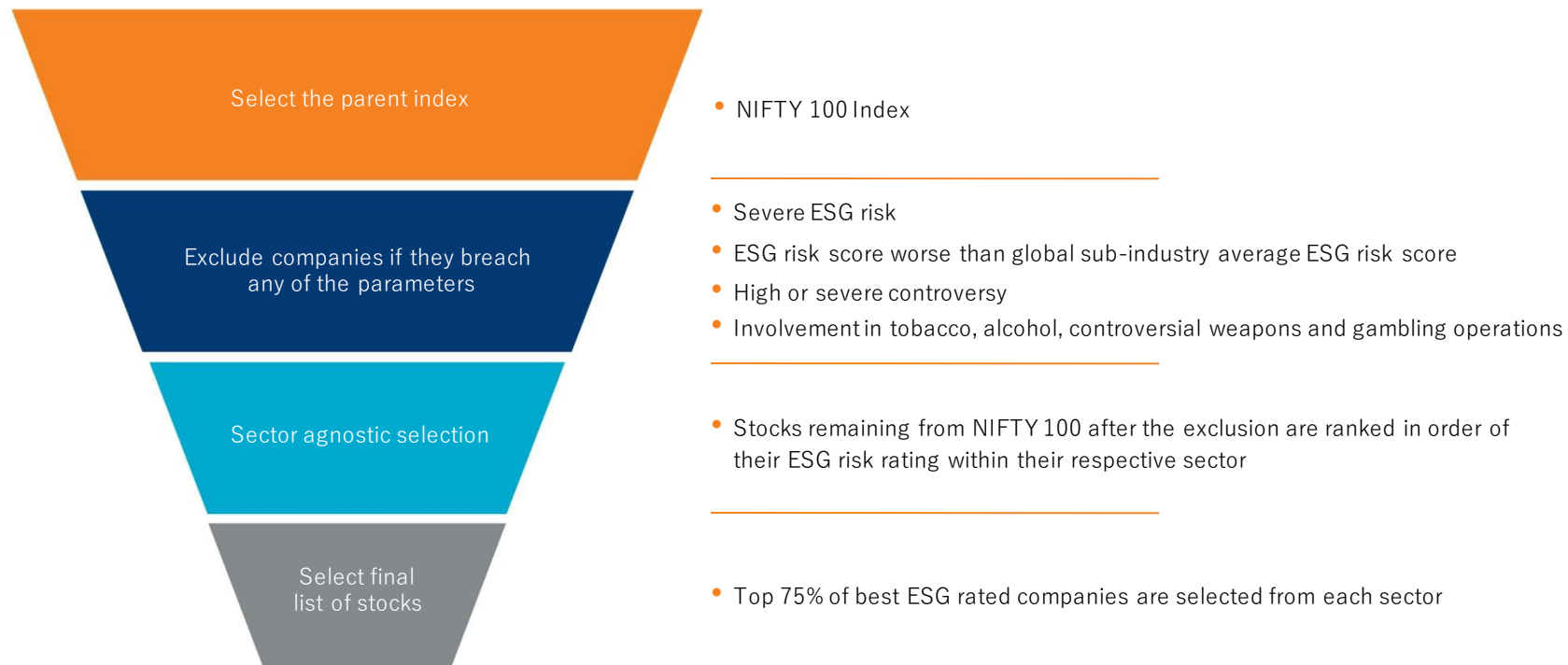
Aims to generate similar sector exposure as NIFTY100 index with investment only in companies with leading ESG practices.

How is ESG Integrated in this product?



Each company is assessed on E,S and G factors relevant to its industry and itself.
Companies are also assessed for any controversy and product involvement.

How is NIFTY100 ESG Sector Leader Index constructed?



A robust new methodology results in creation of portfolio with companies having superior ESG performance, no major controversy and no involvement in questionable businesses.

Sector Allocation & Top Portfolio Holdings of Mirae Asset Nifty 100 ESG Sector Leaders ETF

Top 10 Stocks	Wt. (%)	ESG Score ~
Reliance Industries Limited	10.03%	41.88
ICICI Bank Limited	9.76%	26.74
Infosys Limited	8.58%	15.10
HDFC Ltd.	7.47%	18.92
Tata Consultancy Services	5.24%	11.21
Kotak Mahindra Bank	4.16%	22.79
Axis Bank Limited	3.97%	27.33
Larsen & Toubro Limited	3.96%	34.44
Hindustan Unilever Limited	3.59%	23.54
Bharti Airtel Limited	3.17%	19.61

Top 10 Sectors	Weightage (%)
Financial Services	28.8%
Information Technology	17.5%
Oil & Gas	13.0%
Fast Moving Consumer Goods	6.6%
Healthcare	5.0%
Consumer Durables	4.3%
Construction	4.0%
Metals & Mining	3.6%
Power	3.4%
Telecommunication	3.2%

- Provides ~75% coverage of Free Float Market capitalization of eligible stocks within each sector of Nifty 100.
- The weights of the stocks are based on their free-float market capitalization subject to a stock cap of 10%.

Source: NSE, Portfolio as on Dec 30, 2022; The sector(s)/stock(s)/issuer(s) mentioned in this presentation do not constitute any research report/recommendation of the same and the Fund may or may not have any future position in these sector(s)/stock(s)/issuer(s). ^Note: This section contains information developed by Sustainalytics. Such information and data are proprietary of Sustainalytics and/or its third party suppliers (Third Party Data) and are provided for informational purposes only. They do not constitute an endorsement of any product or project, nor an investment advice and are not warranted to be complete, timely, accurate or suitable for a particular purpose. Their use is subject to conditions available at <https://www.sustainalytics.com/legal-disclaimers>.

Calendar Year Returns – Nifty 100 Index v/s Nifty 100 ESG Sector Leaders Index

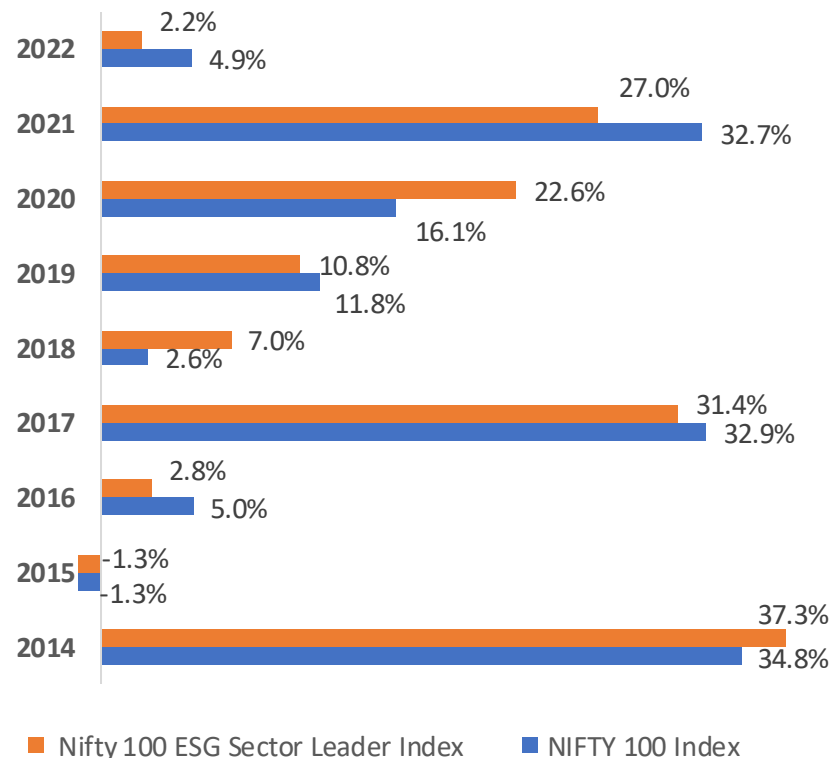
Returns

Returns	NIFTY 100 Index	NIFTY 100 ESG Index	Nifty 100 ESG Sector Leader Index
Since Inception	14.1%	14.8%	14.5%
7 Years	13.8%	14.6%	13.9%
5 Years	12.2%	13.4%	13.2%
3 Years	15.5%	16.4%	15.9%
1 Year	4.9%	-2.9%	2.2%
6 Months	15.2%	12.4%	14.1%
3 Months	4.8%	2.1%	5.9%

Volatility

Volatility	NIFTY 100 Index	NIFTY 100 ESG Index	Nifty 100 ESG Sector Leader Index
Since Inception	17.0%	17.0%	16.7%
7 Years	17.6%	17.5%	17.1%
5 Years	19.2%	19.1%	18.6%
3 Years	22.2%	21.9%	21.5%
1 Year	18.0%	18.0%	18.2%
6 Months	15.4%	15.0%	15.5%
3 Months	16.4%	15.1%	16.5%

Calendar Year Returns



Mirae Asset Nifty 100 ESG Sector Leaders ETF (formerly know as Mirae Asset ESG Sector Leaders ETF)

- Invest in companies which aim to have lower business risk and higher sustainable growth opportunity
- Avoid companies with major controversies
- Aim to grow wealth and contribute to community with sustainable investing



Expense Ratio:
65 bps



Authorized Participants:
Mirae Asset Capital Markets (India)
East India Securities Limited
Kanjalochna Finserve Private Limited



Listing:
NSE (MAESGGETF) & BSE (543246)



Returns:
Replicates performance of Nifty
100 ESG Sector Leaders TRI
subject to tracking error



ETF Units:
Creation Unit Size = 2,50,000 units



Others:
iNAV available on Website

Mirae Asset Nifty 100 ESG Sector Leaders Fund of Fund (formerly know as Mirae Asset ESG Sector Leaders Fund of Fund)

- Invest in companies which aim to have lower business risk and higher sustainable growth opportunity
- Avoid companies with major controversies
- Aim to grow wealth and contribute to community with sustainable investing
- Provides the advantage of investing in Exchange Traded Funds through Mutual Fund Route

**Expense Ratio ***

Direct: 11 bps
Regular: 52 bps

**Returns:**

Replicates performance of Nifty 100 ESG Sector Leaders TRI subject to tracking error

**Plans & Options Available:**

Regular & Direct Plan with Growth Option

**Minimum Investment Amount:**

₹ 5,000/- and in multiples of ₹ 1/- thereafter

**Allotment Date:**

18th November 2020

**Exit Load:**

If redeemed within 3 months from the date of allotment: 0.50%
If redeemed from 3 months from the date of allotment: NIL

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

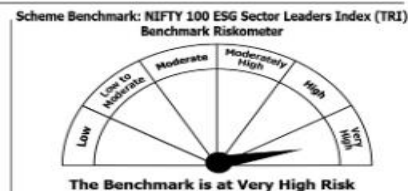
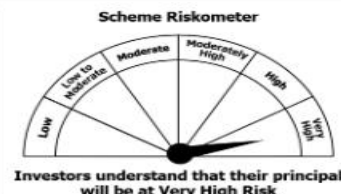
Please consult your financial advisor or Mutual Fund Distributor before investing

PRODUCT LABELLING

Mirae Asset Nifty 100 ESG Sector Leaders 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 100 ESG Sector Leaders ETF

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

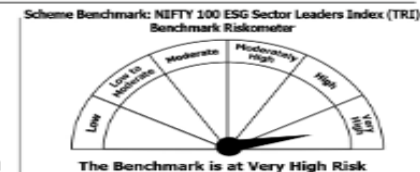
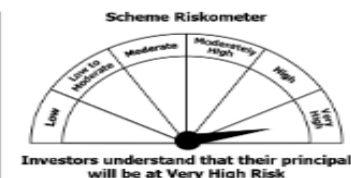


PRODUCT LABELLING

Mirae Asset Nifty 100 ESG Sector Leaders ETF is suitable for investors who are seeking*

- Returns that are commensurate with the performance of NIFTY100 ESG Sector Leaders Total Return Index, subject to tracking error over long term
- Investments in equity securities covered by NIFTY100 ESG Sector Leaders Total Return Index

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



THANK YOU
