

# MIRAE ASSET NIFTY NEXT 50 ETF

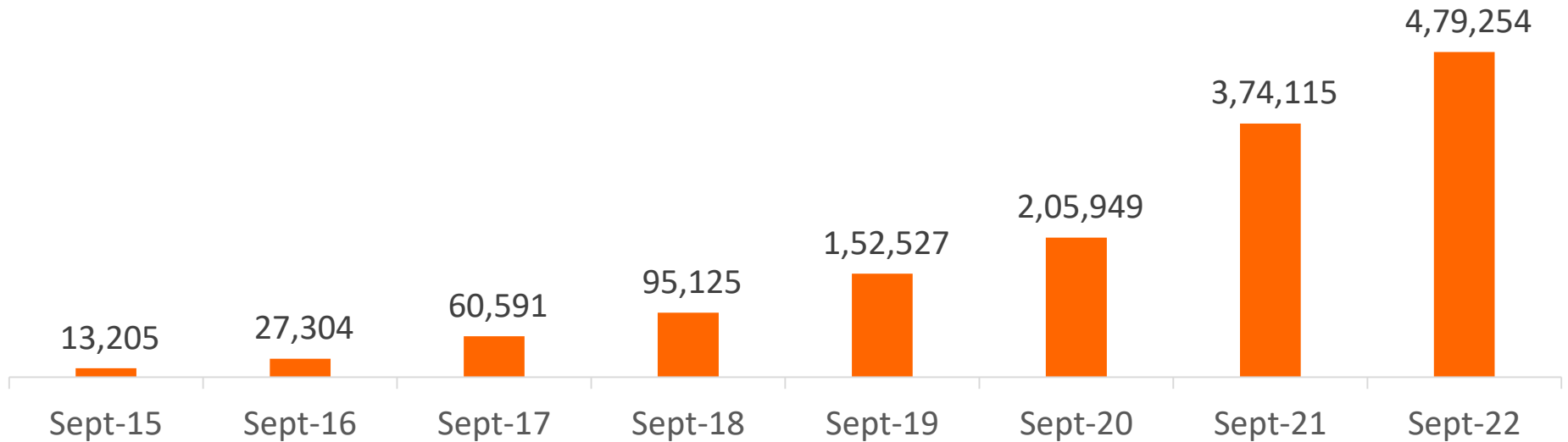
(NSE: MANXT50 BSE:542922)

(An open ended scheme replicating/tracking Nifty Next 50 Index)

# ETF Market: Passive on the move

# ETF Market Growth

## AUM Growth (in ₹ Cr.)



- In last five years, Indian ETF has clocked a CAGR of 55% per annum
- Primarily drivers:
  - Employees Provident Funds Organization (EPFO) investments in NIFTY 50 & Sensex ETFs
  - Disinvestment of public companies via ETFs by government.
  - Issuance of Central Public Sector Enterprise (CPSE) Bond via Issuer Driven ETF
  - Comparative Low cost of Large Cap ETFs over Mutual funds

# Drive towards Passive: Shrinking alpha in large-cap funds

CY	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	Average
Alpha(%)	15.2	38.9	12.4	5.6	-2.3	1.1	-0.2	0.9	-0.4	1.5	7.3

CY	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Average
Alpha(%)	-0.9	-2.1	8.3	3.9	-1.1	0.3	-6.6	-1.7	-2.2	0.3	-0.2

Alpha: Average returns of large cap mutual fund over NIFTY 50 TRI

**The average alpha generated by large-cap fund category over Nifty 50 Index in the last decade (2011 – 2021) has turned negative**

# ETF v/s MF performance

Period	% of schemes outperformed by ETFs					Excess Alpha over Large Cap Funds				
	1 Year	3 Years	5 Years	7 Years	10 Years	1 Year	3 Years	5 Years	7 Years	10 Years
<b>Nifty 50 ETFs</b>	79%	77%	96%	92%	48%	1.0	1.4	2.3	1.7	-0.1
<b>Nifty Next 50 ETFs</b>	90%	92%	24%	84%	96%	3.8	2.3	-0.8	1.5	2.3

- Nifty 50 ETFs have outperformed 96% of the active large cap funds over investment horizon of 5 years
- Over the past 3 years , Nifty 50 ETFs have generated an excess alpha of 140 bps over large cap funds.
- Nifty Next 50 ETFs have outperformed 96% of large cap fund over investment horizon of 10 years.
- Over the past one year, Nifty Next 50 ETFs have generated an excess alpha of 380 bps over large cap funds.

Source: ACE MF, as on Sep 30 2022. \* Based on 31 Large cap, funds (Regular: Growth & Direct Plan: Growth). \*Large Cap Mutual funds based on the SEBI circular on categorization and rationalization of Mutual Fund Scheme. Large cap funds are defined as minimum investment in equity & equity related instruments of large cap companies-80% of total assets Past performance may or may not sustain in future. The above is performance of the category and does not in any manner indicate the performance of any individual scheme of Mutual Fund.

# About NIFTY Next 50 Index

# NIFTY Next 50 Index: Profile

Parameter	NIFTY 50 Index	NIFTY Next 50 Index	NIFTY Midcap 150 Index
Segment	Large Cap	Large Cap	Mid Cap
Criteria	Top 50 stocks by M-Cap	Remaining 50 Stocks	101 to 250 Stocks by M-Cap
Constituents	50	50	150
Avg. Free Float M-Cap	1,55,038	27,245	11,609
Top 5 Stocks	Reliance	Pidilite Industries Ltd.	Trent Ltd.
	HDFC Bank Ltd.	Ambuja Cements	Page Industries Ltd
	ICICI Bank Ltd	Tata Power Co. Ltd.	Tata Elxsi Ltd.
	Infosys Ltd	SRF Ltd.	AU Small Finance Bank
	HDFC Ltd.	Bharat Electronics Ltd.	Indian Hotels Co. Ltd.

**NIFTY Next 50 Index aims to captures the essence of large caps and midcaps**

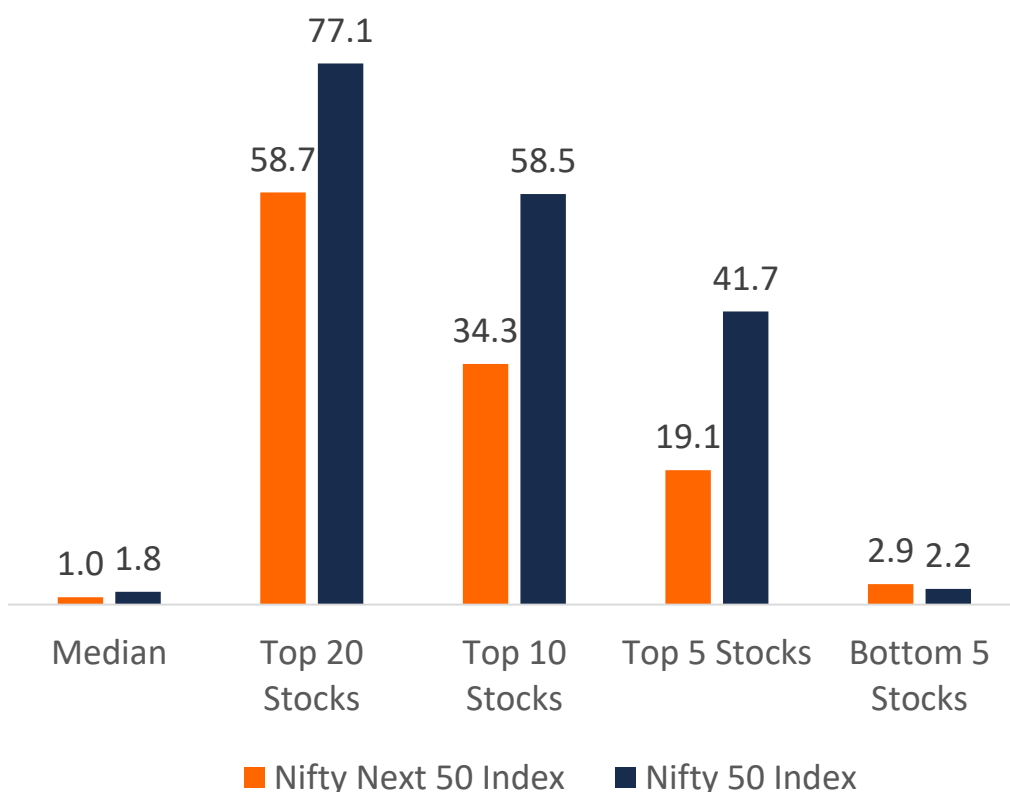
# NIFTY Next 50 Index : Industry distribution

Industry Exposure Comparison		
Top 15 Industries	Nifty 50 Index	Nifty Next 50 Index
Personal Care	-	9.5%
Specialty Chemicals	-	6.1%
Pharmaceuticals	3.4%	5.8%
Electric Utilities	0.8%	5.2%
Power - Transmission	1.0%	5.2%
NBFC	2.5%	5.1%
Diversified Retail	-	4.7%
Computers - Software & Consulting	18.2%	4.4%
Trading - Minerals	-	4.4%
Diversified Metals	-	3.6%
Cement & Cement Products	2.2%	3.2%
Internet & Catalogue Retail	-	2.8%
General Insurance	-	2.7%
Public Sector Bank	2.5%	2.5%
Refineries & Marketing	12.3%	2.4%

**NIFTY Next 50 Index offers different industry exposure compared to Nifty 50 Index**

# NIFTY Next 50 Index : Stock distribution

## Stock Distribution of Nifty Next 50 Index v/s Nifty 50 Index (Wt.%)



## Top 10 Stocks in Nifty Next 50 Index

Company Name	Wt.(%)
Pidilite Industries Ltd.	3.69%
Ambuja Cements	3.41%
Tata Power Co. Ltd.	3.30%
SRF Ltd.	3.27%
Bharat Electronics Ltd.	3.26%
Godrej Consumer Products Ltd.	3.10%
Adani Total Gas Ltd.	3.10%
Adani Transmission Ltd.	3.09%
Havells India Ltd.	3.04%
Dabur India Ltd.	3.02%

**NIFTY Next 50 Index portfolio is more diversified as compared to NIFTY 50 Index**

## NIFTY Next 50 Index : Sectoral Distribution

Top 10 Sectors (in %)	Nifty 50 Index	Nifty Next 50 Index	Nifty 100 Index
Consumer Non Durables	11.2	14.7	11.3
Finance	10.8	10.3	10.6
Power	2.0	9.2	4.0
Cement	1.8	7.7	2.5
Software	13.8	6.1	12.4
Industrial Capital Goods	-	5.4	0.7
Gas	-	5.3	1.3
Others	-	4.4	0.9
Banks	26.0	4.0	22.5
Chemicals	-	3.7	0.5

**Nifty Next 50 Index is the only index in the large-cap space which gives exposure to emerging sectors like Chemicals, Capital Goods and Consumer Non Durables.**

# NIFTY Next 50 Index : Aims to capture potential blue chips of tomorrow

Some of the Stocks that moved from NIFTY Next 50 Index to NIFTY 50 Index in last 10 years (Sep 30, 2022)

S. No	Name	S. No	Name
1	APOLLO HOSPITALS	15	JSW STEEL
2	ADANI PORTS & SEZ	16	KOTAK MAHINDRA BANK
3	ASIAN PAINTS	17	SHREE CEMENT
4	BAJAJ AUTO	18	TECH MAHINDRA
5	BAJAJ FINANCE	19	TITAN COMPANY
6	BAJAJ FINSERV	20	ULTRATECH CEMENT
7	BHARTI INFRATEL	21	UPL
8	BRITANNIA INDUSTRIES	22	VEDANTA
9	COAL INDIA	23	ZEE ENTERTAINMENT ENTERPRISES
10	DR. REDDY'S LABORATORIES	24	SHREE CEMENTS LIMITED
11	EICHER MOTORS	25	HDFC LIFE INSURANCE COMPANY LIMITED
12	GRASIM INDUSTRIES	26	DIVI'S LABORATORIES LIMITED
13	INDIAN OIL CORPORATION	27	SBI LIFE INSURANCE LIMITED
14	INDUSIND BANK	28	ADANI ENTERPRISES

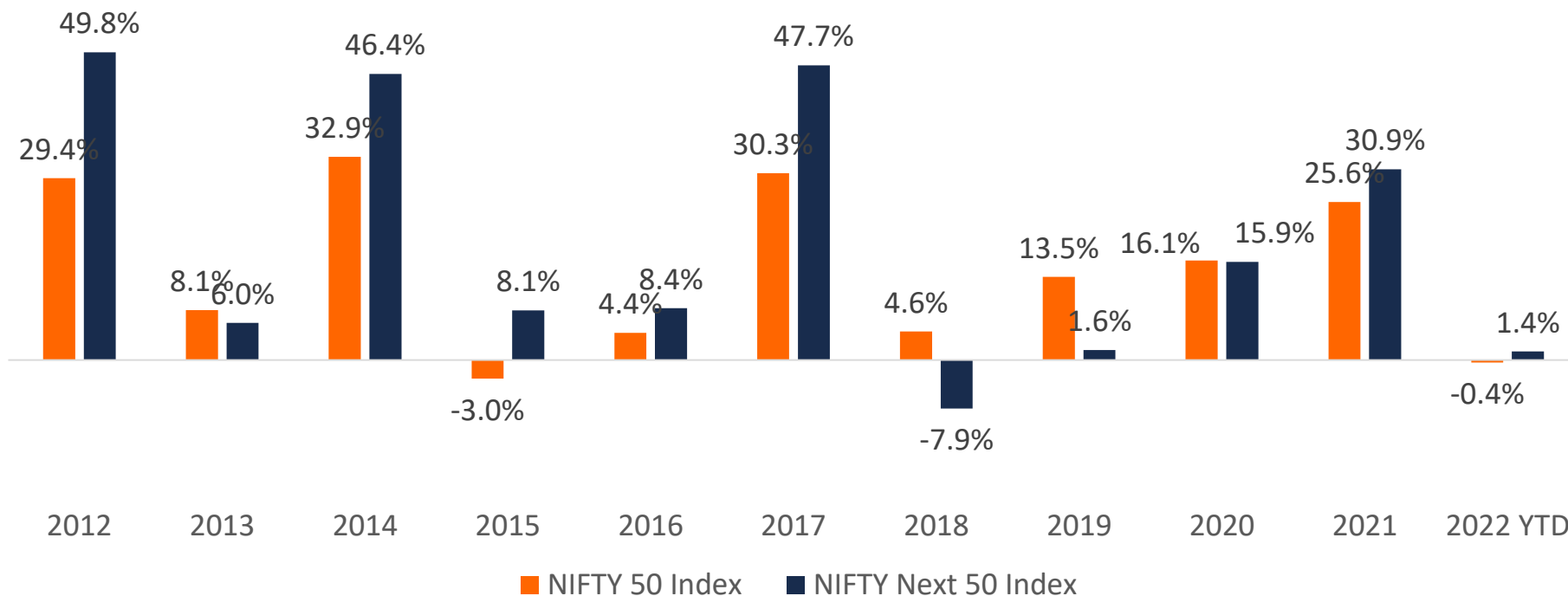
**NIFTY Next 50 Index portfolio aims to captures the potential blue chips of tomorrow, today !**

# NIFTY Next 50 Index : Return and risk profile

Period	Return		Return-to-Risk	
	NIFTY 50 Index	NIFTY NEXT 50 Index	NIFTY 50 Index	NIFTY NEXT 50 Index
15 Years	9.8%	11.5%	0.4	0.5
10 Year	13.0%	15.8%	0.8	0.9
7 Year	13.0%	13.0%	0.7	0.7
5 Year	13.2%	10.1%	0.7	0.5
3 Year	15.6%	16.6%	0.7	0.8
1 Year	-1.6%	1.3%	-0.1	0.1
6 Months	-1.2%	3.7%	-0.1	0.2
3 Months	8.7%	16.5%	0.6	1.1

**NIFTY Next 50 Index has outperformed Nifty 50 Index over 10 year investment horizon**

# NIFTY Next 50 Index : Calendar year returns



**Since 2012, NIFTY Next 50 Index has outperformed NIFTY 50 Index in 7 out of 10 Calendar years respectively (including YTD 2022)**

# NIFTY Next 50 Index : Rolling returns

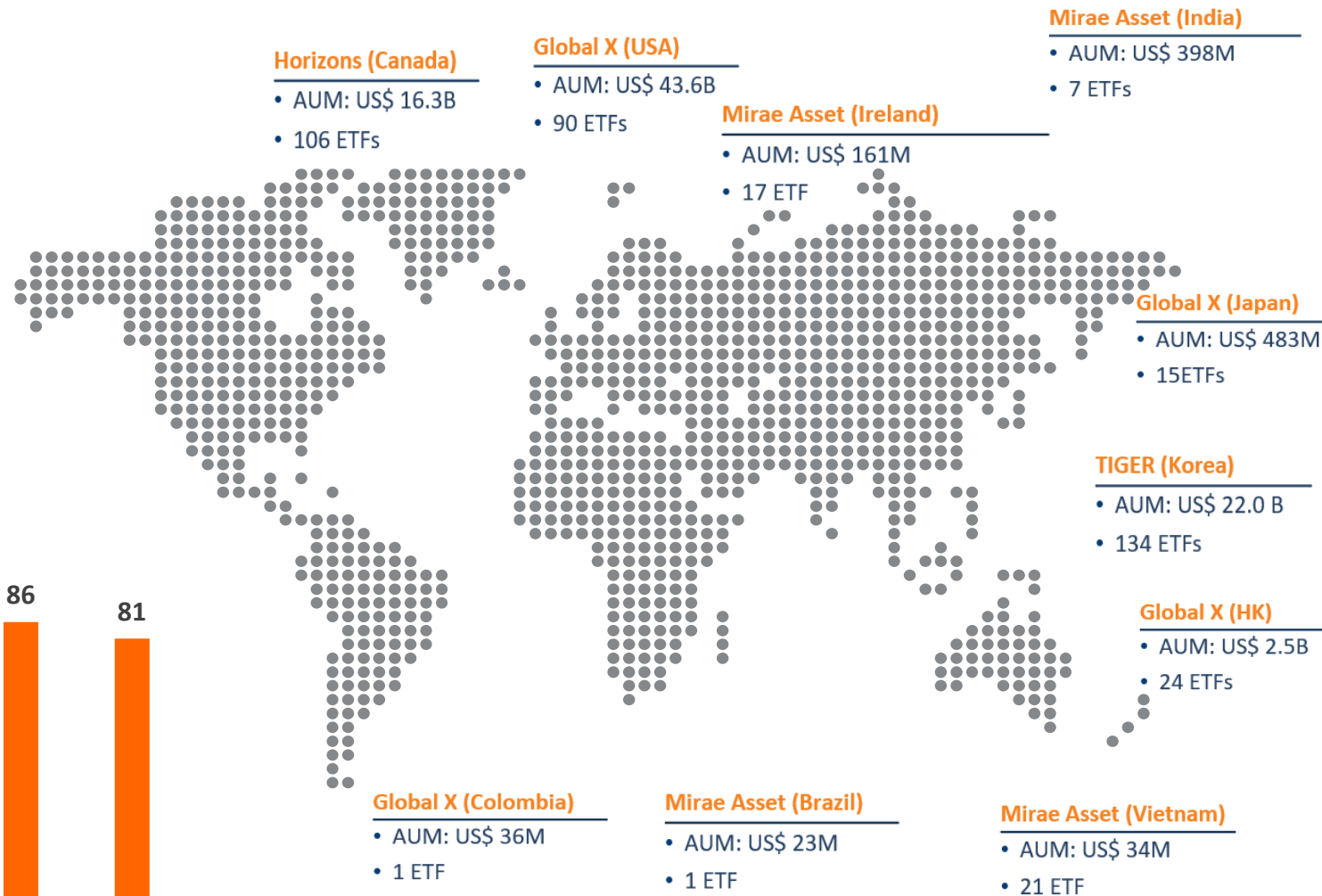
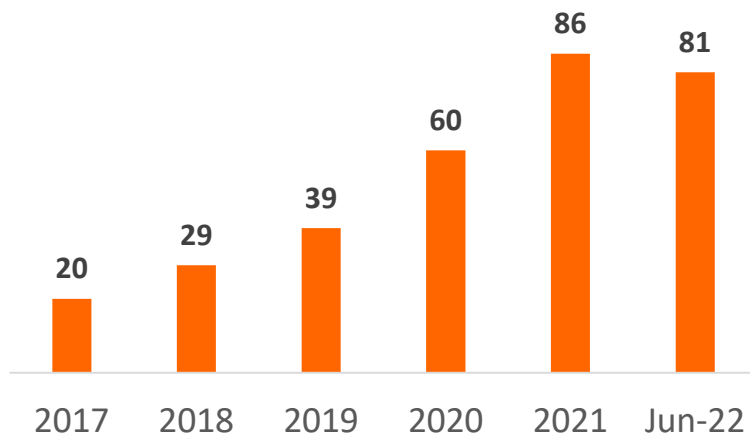
Period	1 Year Investment Horizon			3 Year Investment Horizon		
	NIFTY 50 Index	NIFTY NEXT 50 Index	NIFTY Midcap 100 Index	NIFTY 50 Index	NIFTY NEXT 50 Index	NIFTY Midcap 100 Index
14 Years	13.2%	18.3%	18.0%	10.9%	13.4%	12.6%
10 Years	15.4%	18.6%	19.8%	11.7%	13.9%	13.0%
7 Years	13.6%	14.6%	17.2%	12.0%	14.3%	14.4%
5 Years	16.6%	13.9%	17.4%	12.1%	11.2%	10.8%
3 Years	19.3%	18.6%	26.6%	12.4%	8.8%	9.4%
1 Year	19.3%	20.9%	30.7%	17.0%	16.3%	21.6%

**NIFTY Next 50 Index has given better rolling returns than NIFTY 50 Index and Nifty Midcap 100 Index for investment horizon of 14 years or more over a one and three years investment period**

# Why Mirae Asset ETF?

# Mirae Asset: Global ETF Platform

## AUM Growth

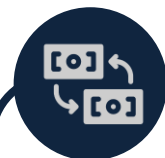


# Mirae Asset ETF Advantages



## Continuous liquidity

Provided by Authorized Participants (APs) on exchange at all times around latest real time NAV (iNAV).



## Lower spread on exchange

Lower effective spread after considering Securities Transaction Tax (STT) and brokerage.

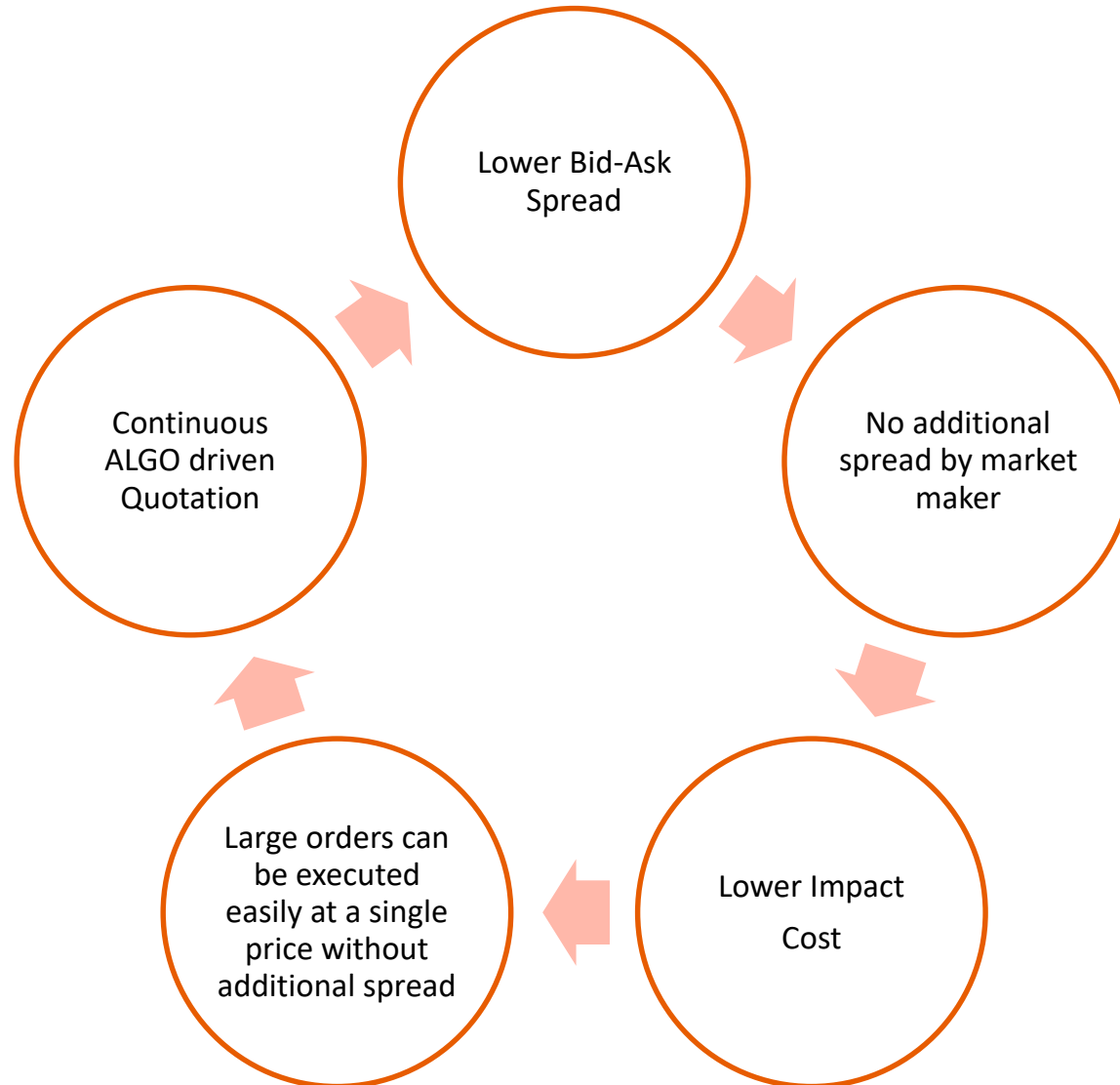


**Dedicated ETF team**  
to expedite all processes



**Relatively Low cost**  
to trade in Mirae Asset ETFs  
vis-à-vis active funds

# Advantages of market maker in Mirae Asset ETF



## Focus to ensure correct pricing on the exchange

Scheme	Daily change in price of ETFs and Index										Correlation
	04-Mar 2022	02-Mar 2022	24-Feb 2022	14-Feb 2022	03-Feb 2022	24-Jan 2022	18-Jan 2022	17-Dec 2021	06-Dec 2021	26-Nov 2021	
<b>Nifty50 Index</b>	<b>-1.53%</b>	<b>-1.12%</b>	<b>-4.78%</b>	<b>-3.06%</b>	<b>-1.24%</b>	<b>-2.66%</b>	<b>-1.07%</b>	<b>-1.53%</b>	<b>-1.65%</b>	<b>-2.91%</b>	
A	-1.16%	-0.75%	-3.00%	-2.66%	-0.95%	-2.65%	-0.95%	-1.77%	-1.60%	-2.87%	0.90
B	-1.50%	-0.99%	-4.43%	-2.32%	-1.33%	-2.29%	-1.59%	-1.37%	-1.72%	-2.62%	0.97
C	-1.45%	-0.96%	-3.62%	-2.88%	-1.10%	-2.54%	-1.04%	-1.53%	-1.61%	-2.64%	0.98
D	-1.40%	-1.09%	-4.24%	-2.93%	-1.04%	-2.52%	-1.00%	-1.44%	-1.52%	-2.92%	0.99
E	-1.38%	-1.00%	-3.50%	-2.96%	-1.06%	-2.66%	-0.99%	-1.50%	-1.66%	-2.78%	0.96
F	-1.25%	-1.01%	-2.99%	-2.71%	-0.73%	-2.43%	-0.87%	-1.21%	-1.21%	-2.22%	0.94
<b>MAN50ETF *</b>	<b>-1.52%</b>	<b>-1.16%</b>	<b>-4.81%</b>	<b>-3.00%</b>	<b>-1.09%</b>	<b>-2.76%</b>	<b>-1.07%</b>	<b>-1.40%</b>	<b>-1.76%</b>	<b>-2.86%</b>	<b>1.00</b>
G	-1.22%	-0.57%	-4.72%	-1.54%	-0.37%	-2.88%	0.07%	-0.39%	-1.66%	-0.54%	0.84
H	-1.42%	-0.75%	-4.37%	-3.00%	-1.27%	-2.65%	-1.13%	-1.51%	-1.67%	-3.22%	0.98
I	-1.77%	0.59%	-4.15%	-1.89%	-1.42%	-2.53%	-0.17%	-1.20%	-1.68%	-1.29%	0.83
K	-2.19%	-1.36%	-3.13%	-2.38%	-1.57%	-2.09%	-0.30%	-0.85%	-1.39%	-2.35%	0.84
L	-0.94%	0.45%	-4.50%	-2.42%	-1.11%	-1.70%	-1.10%	-1.88%	-2.08%	-3.56%	0.87

**Continuous market making by AP with a focus to ensure correct pricing on exchange at all times**

# Mirae Asset NIFTY Next 50 ETF

- **Listing:** NSE & BSE
- **Transaction Options:**
  - **Through Stock Exchange:** In multiple of 1 unit, around real time NAV price (NAV : ₹ 427.813 as on Sep 30, 2022)



**Expense Ratio:**  
15 bps



**Returns:**  
Replicates performance of Nifty Next 50 TRI subject to tracking error



**Authorized Participants:**

- Mirae Asset Capital Markets (India) Private Limited
- Kanjalochna Finserve Private Limited
- East India Securities



**ETF Units:**  
Creation Unit Size = 10,000 units



**Listing:**  
NSE (MANXT50) & BSE (542922 )



**Others:**  
iNAV available on Website

## Summary: Why Mirae Asset NIFTY Next 50 ETF

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NIFTY Next 50 Index captures the performance of Next 50 blue-chip companies in large-cap universe

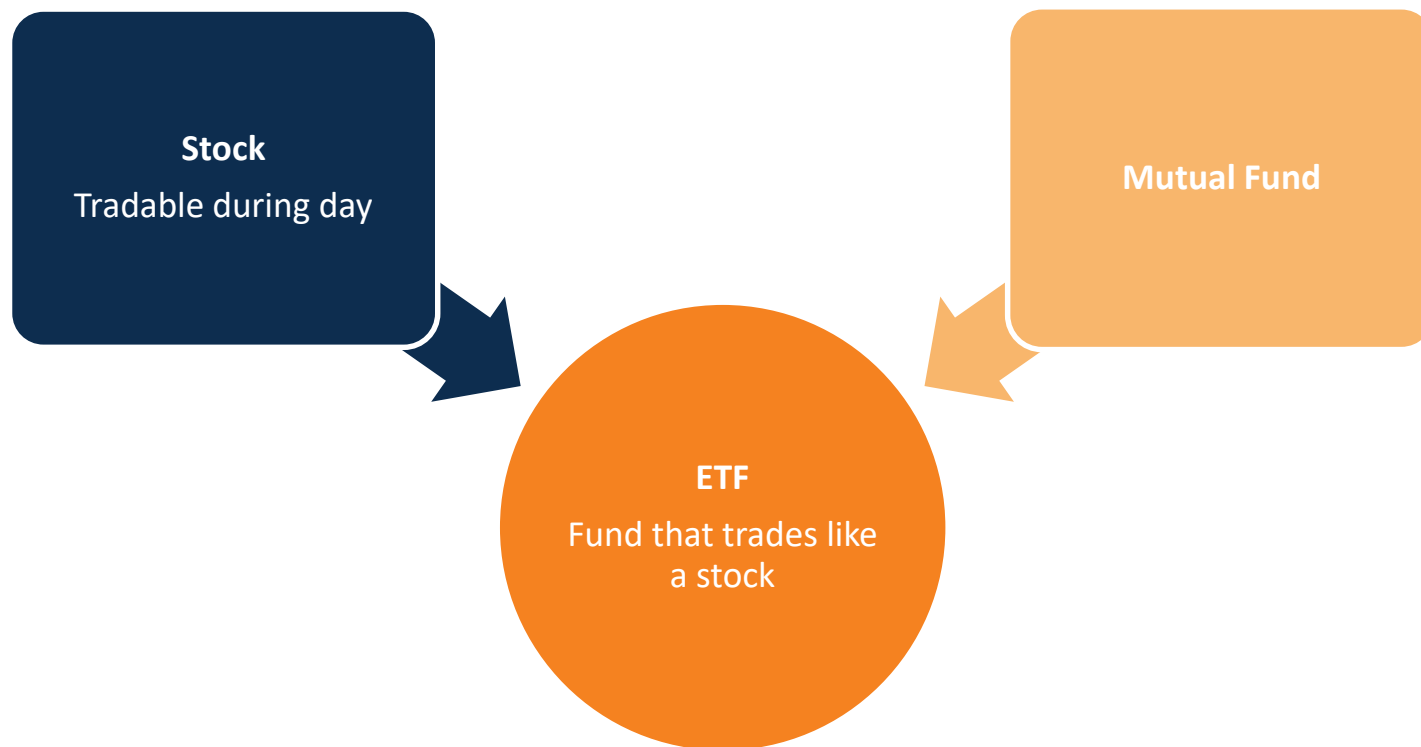
### Highlights of Nifty Next 50 Index

- ❖ Nifty Next 50 Portfolio is well diversified across 14 sectors.
- ❖ Over the past 10 years, 28 stocks have migrated from Nifty Next 50 Index to Nifty 50 Index (Slide 10)
- ❖ Nifty Next 50 ETFs have outperformed 100% of large cap mutual funds over 10 year investment horizon (Slide 4)
- ❖ Since 2012, Nifty Next 50 Index has outperformed Nifty Next 50 Index in 7 out of 10 calendar years(Slide 12)

THANK YOU

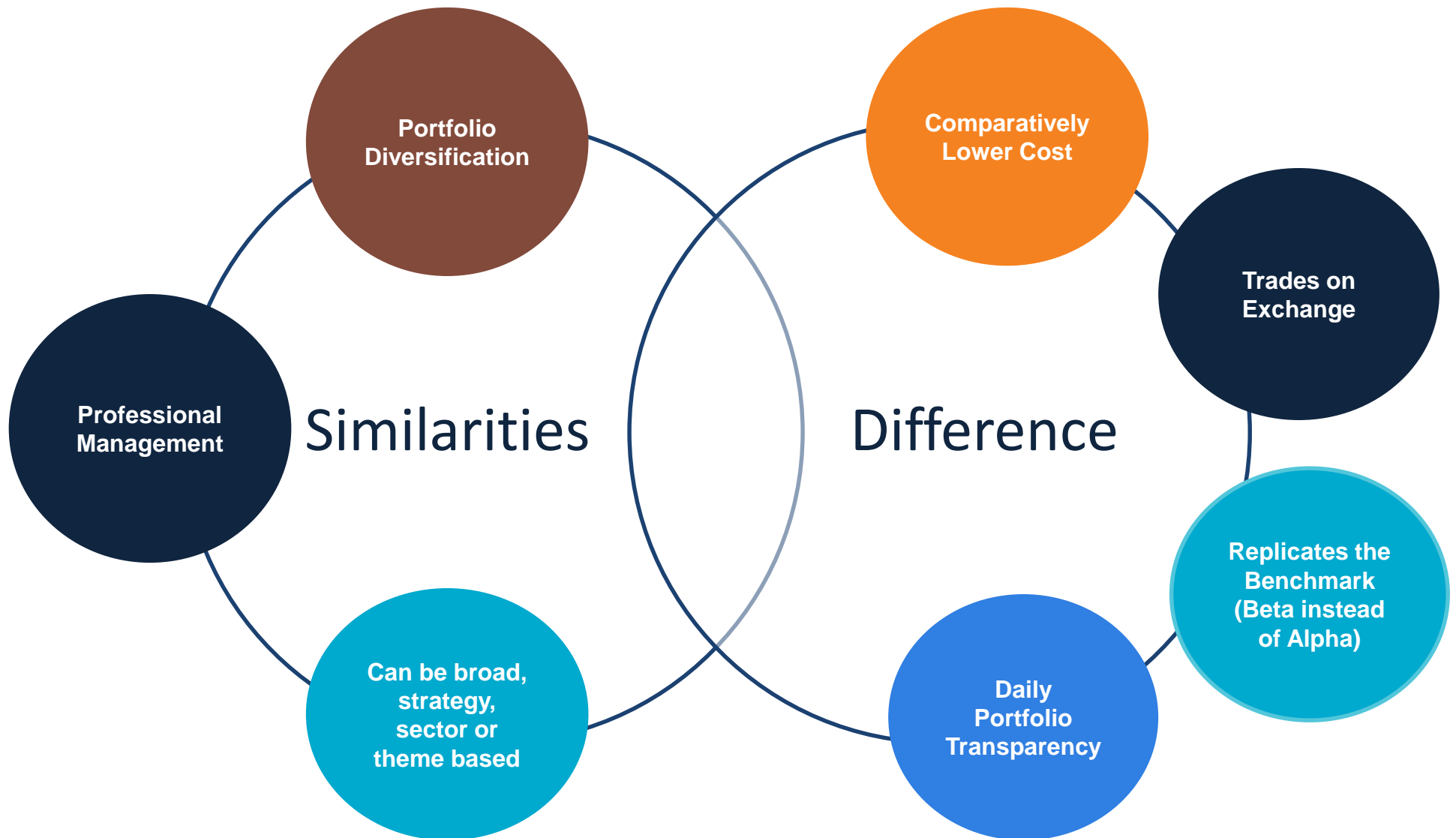


## ETF: Two investment ideas brought together



**Exchange Traded Fund (ETF) aims to generate total returns of the underlying index like NIFTY 50 by investing in the index portfolio**

# ETF v/s Other Mutual Funds



# 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](http://www.miraeassetmf.co.in)

**Please consult your financial advisor or mutual fund distributor before investing**

## PRODUCT LABELLING

Mirae Asset Nifty Next 50 ETF is suitable for investors who are seeking\*

- Returns that are commensurate with the performance of the Nifty Next 50, subject to tracking errors over long term
- Investment in equity securities covered by the Nifty Next 50

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

