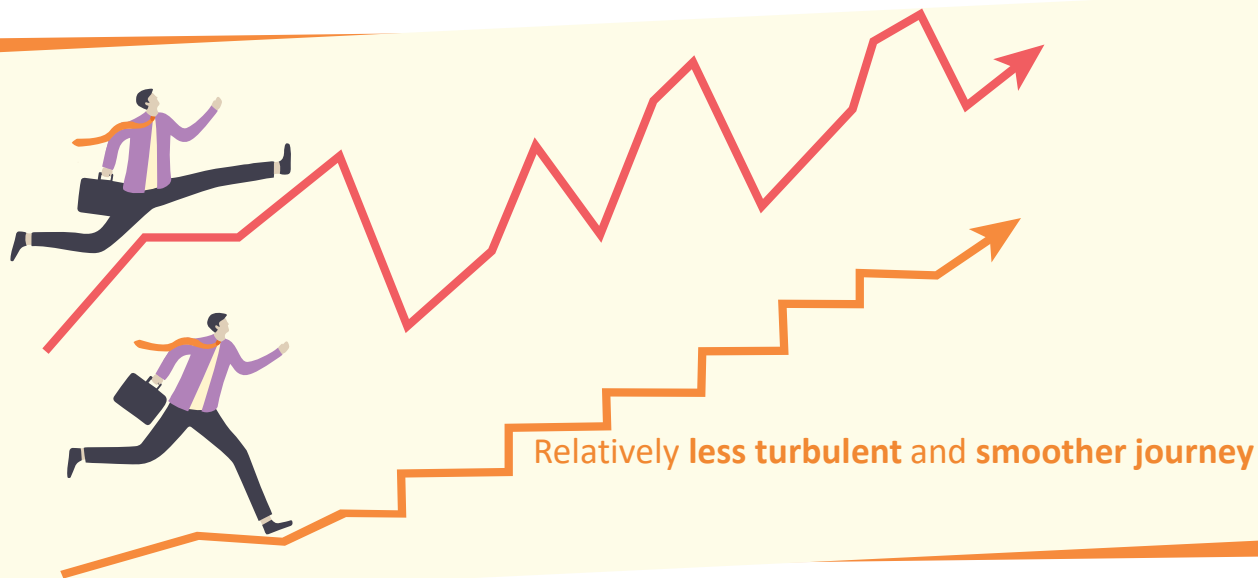


IDFC NIFTY100 LOW VOLATILITY 30 INDEX FUND

An open-ended scheme tracking Nifty100 Low Volatility 30 Index



NFO Period
15th September to 29th September 2022

General perception: Higher Returns = Higher Risk

However, Nifty100 Low Volatility 30 Index has yielded higher returns with relatively lower risk vs major indices.

10 year returns	Nifty100 Low Volatility 30 Index	Nifty 100 Index	Nifty 50 Index
Annualised return	15.4%	14.6%	14.0%
Annualised volatility	14.7%	17.2%	17.0%
Return per unit of risk	1.05	0.85	0.83

Invest in the strategy of Nifty100 Low Volatility 30 through an Index Fund

WHAT ARE INDEX FUNDS?



An Index Mutual Fund invests in securities with the aim to **track the movements of the market index** it intends to replicate.

SIMPLICITY

Investment in an Index Fund is the same as investing in any Mutual Fund. You may visit the Mutual Fund website or contact your distributor.

DIVERSIFICATION

An Index Fund can provide diversification across various stocks/sectors.

AFFORDABLE

Access to an index fund can be available at an investment amount of INR 5,000, SIP at INR 100.

LOW COST

Index fund investment is available at a relatively lower cost mainly due to fund manager intervention being limited to aligning the portfolio with the underlying index.



Types of Indices



BROAD BASED

Securities assigned weights in an index basis their market capitalisation.

E.g. Nifty 50 Index with top 50 stocks assigned weights in the index in proportion to their market capitalisation.



SECTORAL

Securities identified in a particular sector or theme are included in the index.

E.g. The Nifty Financial Services Index is designed to reflect the behavior and performance of the Indian financial market which includes banks, financial institutions, housing finance, insurance companies and other financial services companies.



ENHANCED

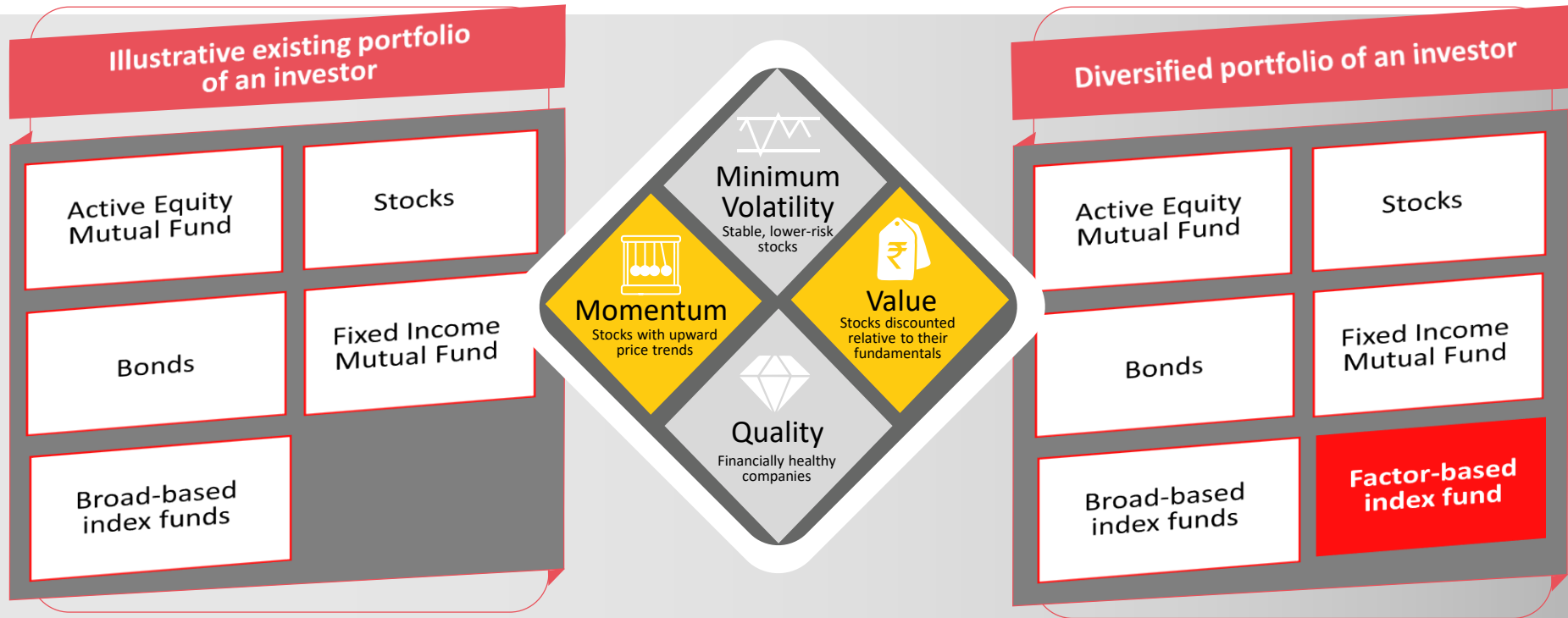
Enhancing the broader indices by using certain rules or formulae.

E.g. Equal weight Index assigning equal weight to all securities of an index like a Nifty 50 Index, **Factor-based indices like momentum, low volatility** etc.



Diversification of portfolio via a differentiated strategy

A differentiated and easy to invest strategy like factor investing is feasible through Index Funds



Delving deeper into the rationale for considering Nifty100 Volatility 30 Index Fund

1

Volatility and its implication

2

About Nifty100 Low Volatility 30 Index

3

Introducing IDFC Nifty100 Low Volatility 30 Index Fund



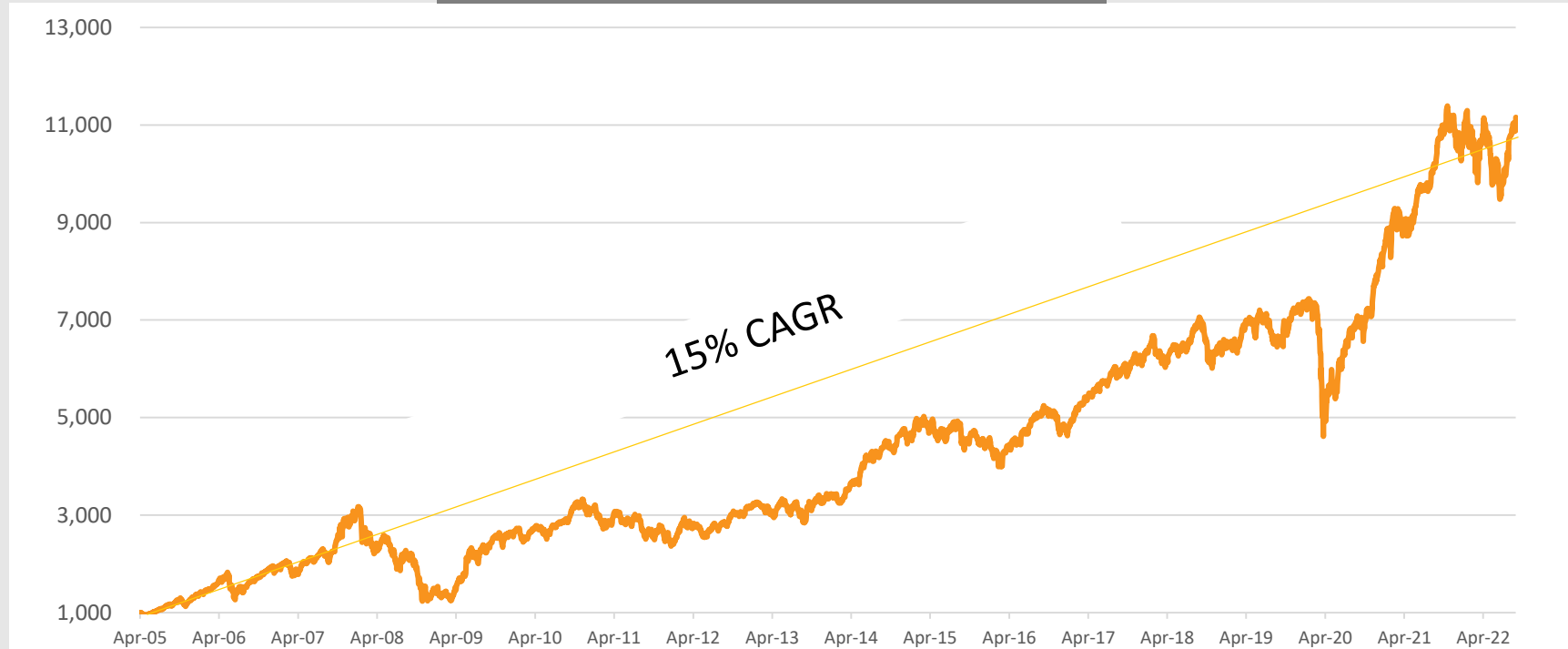
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Volatility and its implication



Reality Check - The journey to earn 15% returns is not smooth

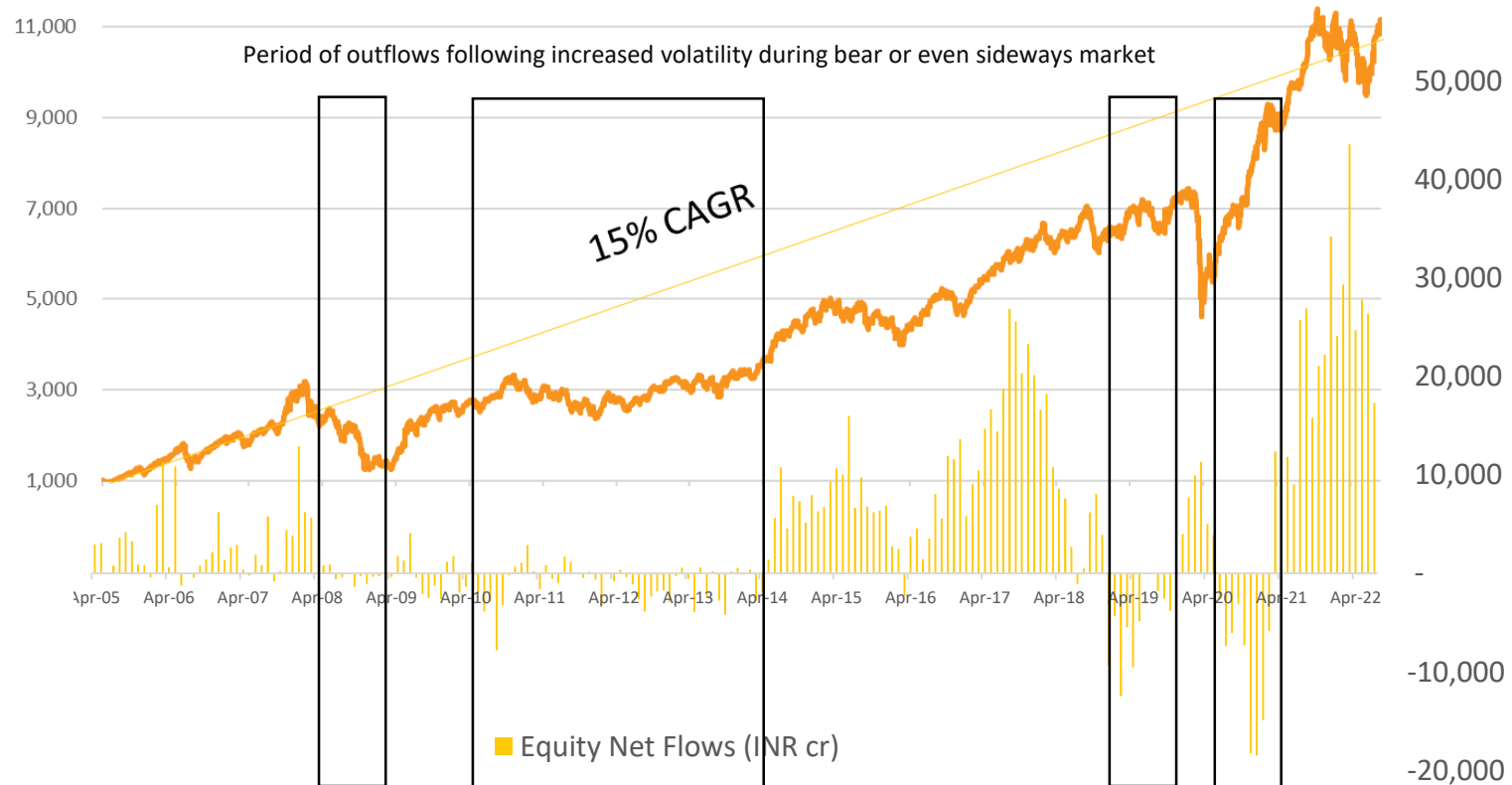
Nifty 100 Index Price Movement (Rs.)



Data since April 2005 upto 30th August 2022 of the Total return index. NAV rebased to Rs. 1000 as on 1st April 2005. Source: IDFC Internal analysis basis data from ICRA MFI Explorer. Past performance is not an indicator of future performance. Data excludes expenses and tracking error of an Index Fund through which an investment in the stocks of the Nifty100 index can be made.

Volatile markets may lead to inefficient investor behaviour

Nifty 100 Index Price Movement (Rs.)



Data since April 2005 upto 30th August 2022 of the Total return index. NAV rebased to Rs. 1000 as on 1st April 2005. Source: IDFC Internal analysis basis data from ICRA MFI Explorer. Past performance is not an indicator of future performance. Data excludes expenses and tracking error of an Index Fund through which an investment in the stocks of the Nifty100 index can be made.

2

About Nifty100 Low Volatility 30 Index



What is Low-Volatility investing?

Basic Premise

Low-volatility investing can cushion the portfolio during sharp market moves.

**Introducing Nifty100
Low Volatility 30 Index**

Buys 30 of the least volatile stocks

Considers turnover of the underlying stocks while assigning weights

Rule based to decide entry and exit points



Nifty100 Low Volatility 30 Index has a distinct investment process

Low Volatility Index decides on entry and exit of stocks through a well-defined, disciplined approach

Process of Low Volatility Index Building/ Rebalancing

Stock
Universe

Nifty 100

Eligibility
Criteria

Available in the
derivative segment
with minimum
listing history
of 1 year

30 stocks
selection

Volatility Score based¹
(volatility calculated
using daily closing
price for last
1 year)

Weightage

Least volatile
stocks receive
the highest
weight²

**EXERCISE REPEATED
EVERY 3 MONTHS**

– March, June, September and
December to determine entry
and exit of stocks³

1. Volatility Score: Volatility is calculated as the standard deviation of daily price returns (log normal) for last one year

2. Weights: In the first step, weight of the constituents are calculated based on the volatility. Weight of the stocks, having 6-month average turnover less than the stock with the lowest 6 month average turnover in NIFTY 50 Index, are capped at 3%. The excess weight is distributed among the non-capped stocks in the proportion of their low volatility weights

3. Rebalancing: The index is reconstituted on a quarterly basis using data of six month period ending last trading day of February, May, August and November. Volatility is calculated using closing prices of last one-year (adjusted for corporate actions) period ending last trading day of February, May, August and November for each review respectively. At time of review, if the existing constituent of the index is ranked within top 60 based on the low volatility score, then the stock is retained in the index. Stocks based on lowest volatility rank gets included in the index, depending on the number of exclusions from the index due to above rule.

Nifty100 Low Volatility 30 Index has a distinct investment process

Low Volatility Index decides on entry and exit of stocks through a well-defined, disciplined approach

Illustration of Process of Low Volatility Index Building/ Rebalancing

Security	Volatility (Risk)	Resultant Weight in the Index
A	15%	4.7%
B	16%	4.3%
C	17%	4.0%
..		
..		
Y	24%	2.9%
Z	26%	2.7%

Less volatile stocks get **higher** weightage

High volatile stocks get **lower** weightage

*Significance of Liquidity of stocks: Weight of the stocks, having 6-month average turnover less than the stock with the lowest 6 month average turnover in NIFTY 50 Index, are capped at 3%.**

*The excess weight is distributed among the non-capped stocks in the proportion of their low volatility weights

Low Vol index provides the benefit of relatively higher diversification and lesser volatility

Top 3 stocks and standard deviation

Sr.	Nifty 100	Weight in the index	1 year volatility	Nifty100 Low Volatility 30	Weight in the index	1 year volatility
1	Reliance Industries Ltd.	9.9%	29%	Nestle India Ltd.	4.7%	19%
2	HDFC Bank Ltd.	7.1%	25%	Britannia Industries Ltd.	4.0%	22%
3	ICICI Bank Ltd.	6.7%	26%	Pidilite Industries Ltd.	4.0%	24%
		23.8%			12.7%	

Outperformance despite relatively lower risks

Nifty100 Low Volatility 30 Index has outperformed across investment periods¹

Index	3 years	5 years	10 years
Nifty Low Vol	15.3%	15.8%	15.7%
Nifty 100	12.0%	12.2%	12.1%
Nifty 50	11.6%	11.7%	11.5%

Lower drawdowns vs major indices

Drawdown date	Previous peak date	Nifty Low Vol	Nifty 100	Nifty 50
27-Oct-08	02-Jan-08	-48.7%	-61.1%	-59.5%
26-Aug-11	05-Nov-10	-12.3%	-24.7%	-24.0%
25-Feb-16	06-Aug-15	-13.3%	-20.6%	-21.7%
23-Mar-20	17-Jan-20	-30.6%	-37.9%	-38.3%
20-Jun-22	18-Oct-21	-14.3%	-16.6%	-16.1%

Relatively lower volatility vs major indices²

Index	3 years	5 years	10 years
Nifty Low Vol	16.7%	16.1%	15.9%
Nifty 100	20.8%	20.1%	20.0%
Nifty 50	21.0%	20.2%	20.1%

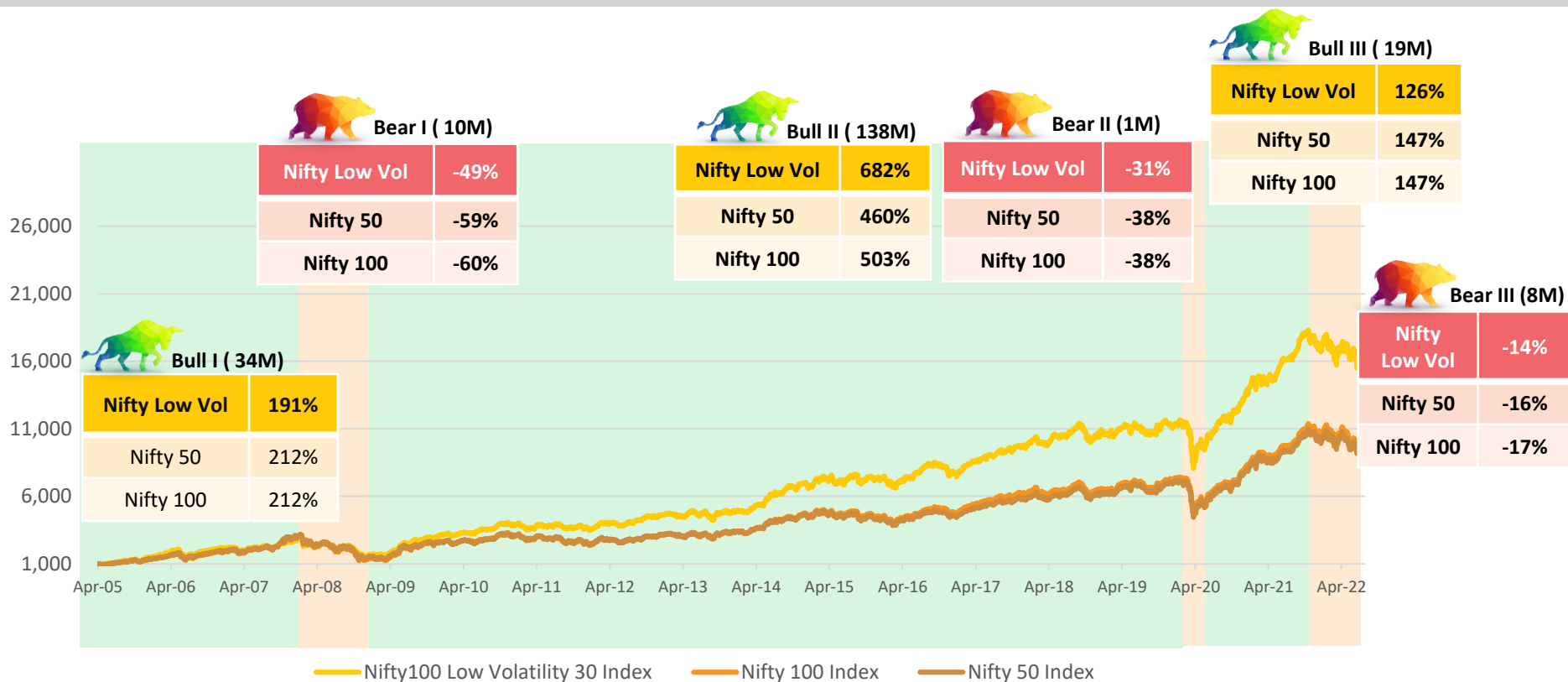
Source: ICRA MFI Explorer and IDFC internal analysis
Data as on 30th August 2022

1. Average of 3/5/10 year returns computed on a daily basis since the base date of the Nifty100 Low Volatility 30 Index i.e., 1st April 2005 has been provided.

2. Average standard deviation is as on 30th August 2022 since 1st April 2005 i.e. base date of Nifty100 Low Volatility 30 Index computed basis daily rolling returns for the respective periods. .
Past performance is not an indicator of future performance. Data excludes expenses and tracking error of an Index Fund through which an investment in the stocks of an index can be made. Returns of Total Return Indices considered.

Consistent Performance in Bull Market and defensive in Bear market

Nifty100 Low Vol 30 vs Nifty 100 vs Nifty 50



Index values (rebased to INR 1,000) considered since the base date of the Nifty100 Low Volatility 30 index i.e., 1st April 2005, up to 30th August 2022. Past performance is not an indicator of future performance. Total Return Indices used above. Data excludes expenses and tracking error of an Index Fund through which an investment in the stocks of an index can be made.

3

Introducing IDFC Nifty100 Low Volatility 30 Index Fund

Participate in Nifty100 Low Volatility 30 Index through
IDFC Nifty100 Low Volatility 30 Index Fund



Features of IDFC Nifty100 Low Volatility 30 Index Fund



NFO period

15th to 29th September 2022



Fund Manager

Mr. Nemish Sheth



Benchmark

Nifty100 Low Volatility 30 TRI



Exit Load

Nil



Subscription

Lumpsum purchase - Rs. 5000/- and in multiples of Re. 1/- thereafter
Additional purchase – Rs. 1000/- and in multiples of Re. 1/- thereafter
Repurchase/Redemption - Rs. 500/- or the account balance of the investor, whichever is less

SIP - Rs. 100/- and in multiples of Re. 1 thereafter
[Minimum 6 installments]

SWP - Rs. 200/- and any amount thereafter

STP - Rs. 100/- and any amount thereafter



Investment Objective

The investment objective of the Scheme is to replicate the Nifty100 Low Volatility 30 index by investing in securities of the Nifty100 Low Volatility 30 Index in the same proportion / weightage with an aim to provide returns before expenses that closely correspond to the total return of Nifty100 Low Volatility 30 Index, subject to tracking errors. However, there is no assurance or guarantee that the objectives of the scheme will be realized and the scheme does not assure or guarantee any returns



Diversified Sector & Stock Holdings

Top sectors by weight

Weight (%)

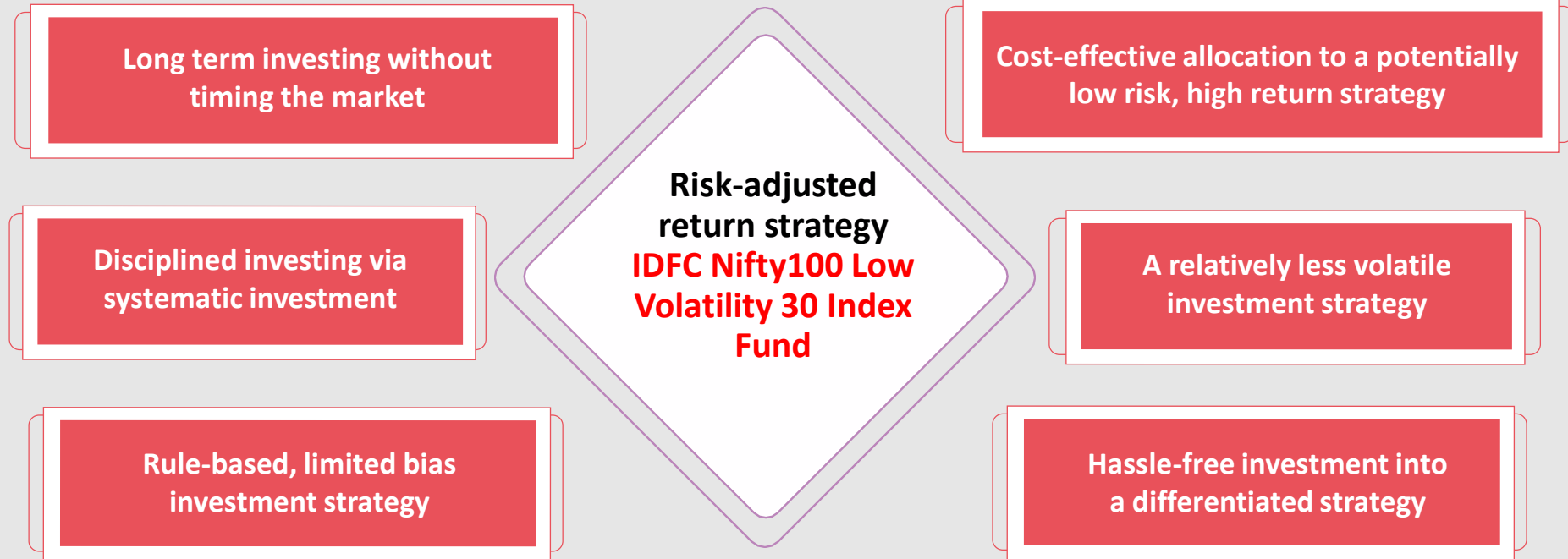
Fast Moving Consumer Goods	25.4
Information Technology	14.6
Financial Services	13.4
Construction Materials	6.7
Automobile and Auto Components	6.6
Healthcare	6.6
Consumer Durables	6.5
Power	6.3
Oil Gas & Consumable Fuels	5.9
Construction	4.0
Chemicals	3.9

Top stocks by weight

Weight (%)

Nestle India	4.7
Britannia Industries	4.0
Pidilite Industries	4.0
Hindustan Unilever	4.0
Larsen & Toubro	3.9
SBI Life Insurance Company	3.8
ITC	3.7
UltraTech Cement	3.6
Cipla	3.6
Bajaj Auto	3.6

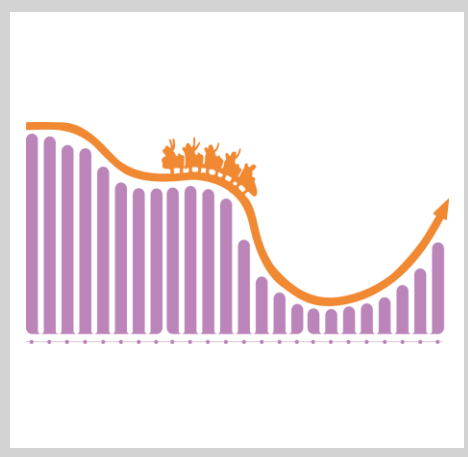
Highlights of Low-Volatility Investing



In Summary: Why you should consider Nifty100 Low Volatility 30 Index?

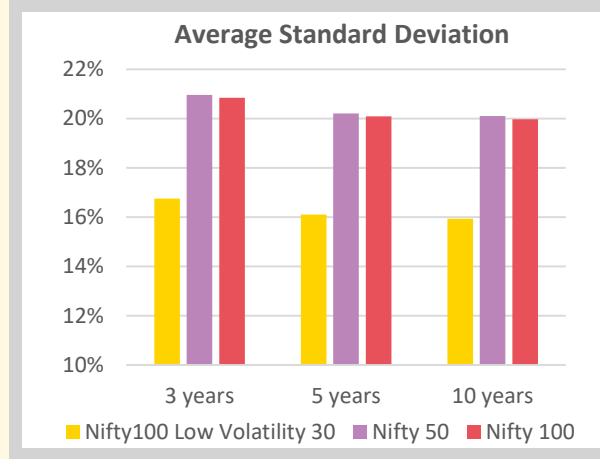
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Sharp ups and downs in the equity markets can be unnerving and lead to inefficient investment decisions.



2

Nifty100 Low Volatility 30 Index is an investment strategy designed to choose least volatile stocks.



3

The Low Volatility Index has outperformed major indices with lower volatility.

10 year returns	Nifty100 Low Volatility 30 Index	Nifty 100 Index	Nifty 50 Index
Annualised return	15.4%	14.6%	14.0%
Annualised volatility	14.7%	17.2%	17.0%
Return per unit of risk	1.05	0.85	0.83

Other Funds Managed by the Fund Manager

Period			1 Year		3 Years		5 Years		10 Years	
	Managing Since	Benchmark Index	Scheme Return (%)	Benchmark Return (%)	Scheme Return (%)	Benchmark Return (%)	Scheme Return (%)	Benchmark Return (%)	Scheme Return (%)	Benchmark Return (%)
Fund Manager Name: Mr. Nemish Sheth										
IDFC Arbitrage Fund	01-11-2021	Nifty 50 Arbitrage Index**	3.17%	3.41%	3.71%	3.52%	4.76%	4.31%	6.14%	5.83%
IDFC Equity Savings Fund ^{3*}	01-11-2021	CRISIL Equity Savings Index	2.87%	5.05%	8.43%	11.37%	6.19%	9.55%	6.75%	8.88%
IDFC S&P BSE Sensex ETF ^{^^} (BSE scrip code: 540154)	01-11-2021	S&P BSE Sensex TRI	4.32%	4.82%	17.62%	18.16%	14.37%	14.75%	NA	NA
IDFC Nifty 50 ETF [^] (NSE scrip code: IDFNIFTYET)	01-11-2021	Nifty 50 TRI	4.99%	5.16%	18.21%	18.63%	13.52%	13.78%	NA	NA
IDFC Nifty 50 Index Fund ^{\$\$}	1-03-2022	Nifty 50 TRI	4.80%	5.16%	18.14%	18.63%	13.35%	13.78%	13.87%	14.34%

Mr. Nemish Seth manages 7 schemes. IDFC Nifty 100 Index Fund is managed by Mr. Nemish Sheth (w.e.f. 24th Feb 2022). IDFC Nifty200Momentum30 Index Fund is managed by Mr. Nemish Sheth (w.e.f. 2nd Sep 2022). Performance of both these schemes are not provided as they have not completed 1 year

Performance based on NAV as on 30/08/2022. Past Performance may or may not be sustained in future.

The performance details provided herein are of regular plan growth option. Regular and Direct Plans have different expense structure.

**The benchmark has been changed from CRISIL Liquid Fund Index to Nifty 50 Arbitrage Index w.e.f. April 01, 2018.

†Current Index performance adjusted for the period from since inception to April 30, 2018 with the performance of CRISIL Liquid Fund Index (Benchmark)

Direct Plan shall have a lower expense ratio excluding distribution expenses, commission expenses etc.

3The fund has been repositioned from an arbitrage fund to an equity savings fund w.e.f. April 30, 2018.

^"IDFC Nifty ETF" has been renamed as "IDFC Nifty 50 ETF" with effect from July 01, 2022.

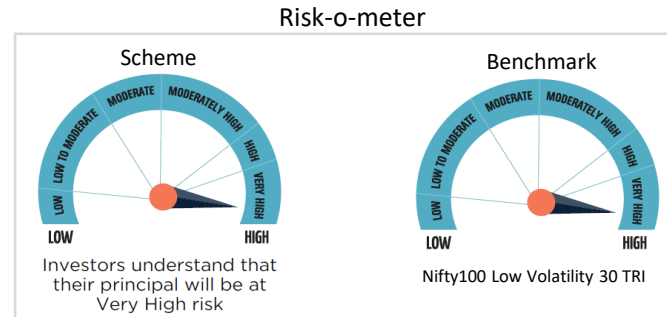
^^"IDFC Sensex ETF" has been renamed as "IDFC S&P BSE Sensex ETF" with effect from July 01, 2022.

\$\$"IDFC Nifty Fund" has been renamed as "IDFC Nifty 50 Index Fund" with effect from July 01, 2022.

This product is suitable for investors who are seeking*:

- Create wealth over a long term
- Investment in equity and equity related instruments belonging to Nifty100 Low Volatility 30 Index

**Investors should consult their financial advisers if in doubt about whether the product is suitable for them*



IDFC Nifty100 Low Volatility 30 Index Fund
(An open-ended scheme tracking Nifty100 Low Volatility 30 Index)

MUTUAL FUND INVESTMENTS ARE SUBJECT TO MARKET RISKS, READ ALL SCHEME RELATED DOCUMENTS CAREFULLY.

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Thank You

