

# Mirae Asset Nifty Metal ETF

(An open-ended scheme replicating/tracking Nifty Metal Total Return Index)

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New Fund Offer details:

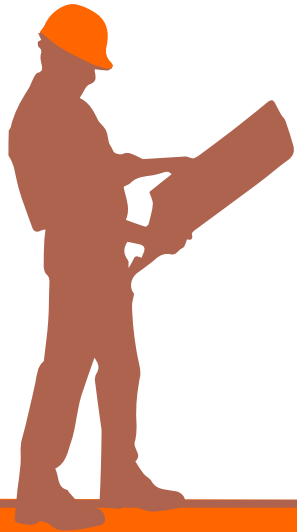
New Fund Offer (NFO) opens on: Sep 20, 2024

New Fund Offer (NFO) closes on: Sep 30, 2024

Scheme re-opens for continuous Sale and Repurchase: Oct 04, 2024

# Evolution of Sector

Over the years the Indian mining sector has evolved through formation of different rules and regulatory bodies by the Central Government of India



**1947**  
Sector received a boost post independence under the 5 Year Plan

**01**

**02**

- 1956**
- Industrial Policy Resolution
  - Strengthening of Geological Survey of India
  - Establishment of Indian Bureau of Mines

**03**

**1993**  
Opened to Foreign Direct Investment after the announcement of New Mineral Policy

**04**

**2014**  
Ministry of Mines revised royalty rates and dead rent

**05**

**2020**  
Mineral Conservation & Development (Amendment) Rules  
PLI Scheme for domestic production

**2024**

**06**

- Increased infrastructure spend is expected to contribute 25-30% of metal demand in the next decade.
- PLI~ will lead to increased investments in steel sector



# India's stand as a producer of major metals

## Aluminium Production

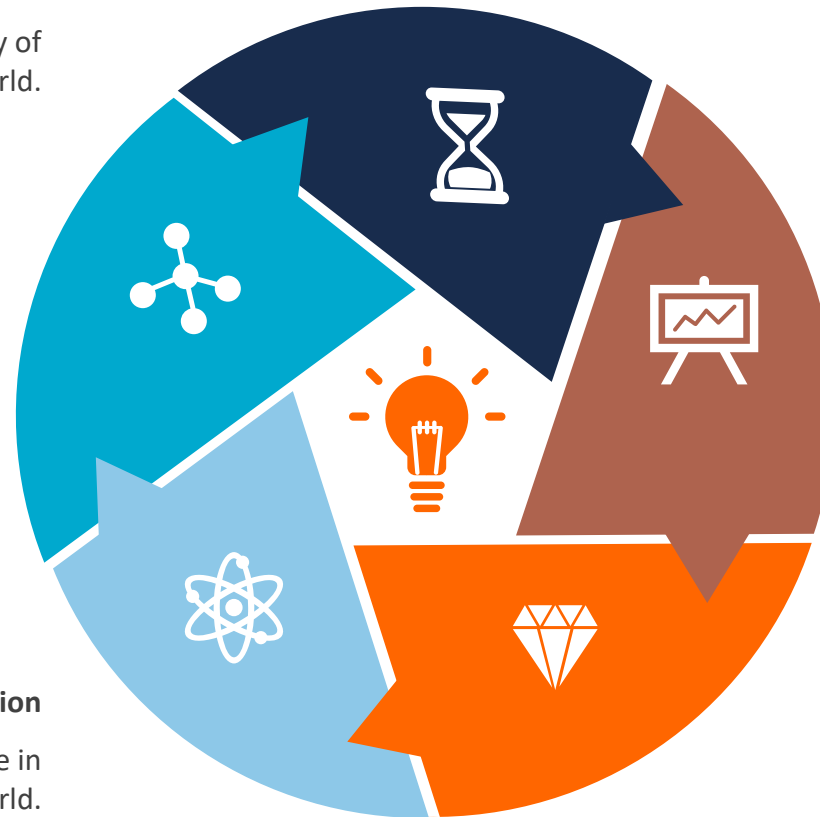
India has the 2<sup>nd</sup> largest production capacity of Aluminium in the world.

## Lime Production

India is the 3<sup>rd</sup> largest lime producer in the world.

## Iron Ore Production

India is the 4<sup>th</sup> largest producer of iron ore in the world.



## Steel Production

India is the 2<sup>nd</sup> largest crude steel producer in the world.

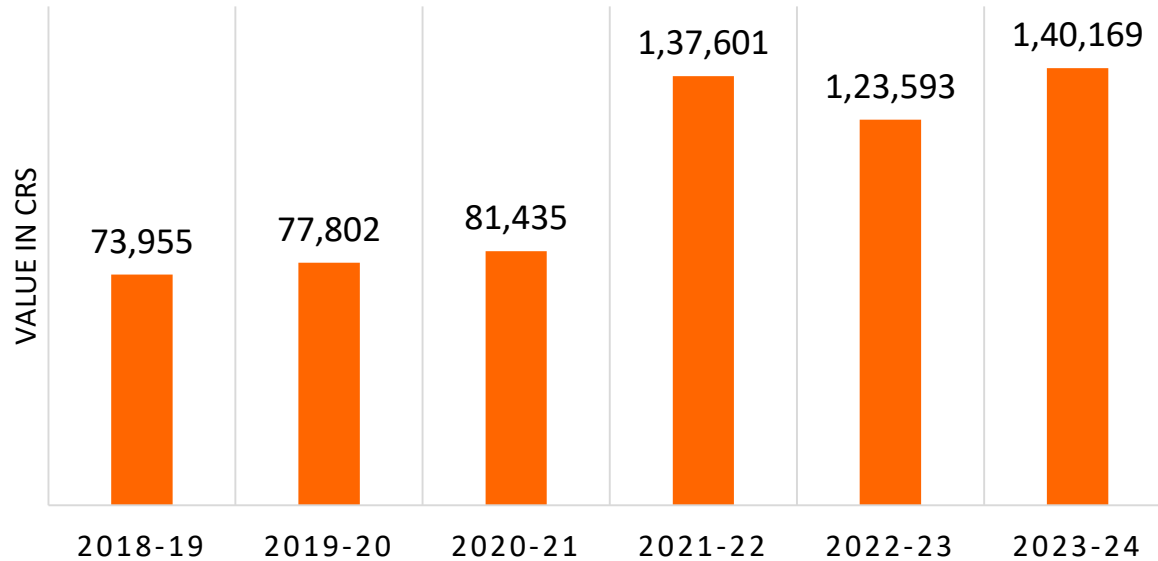
## Mines

As of FY 22~, India was estimated to have 1,319 mines – 545 Metallic Mines & 774 – Non-Metallic Mines

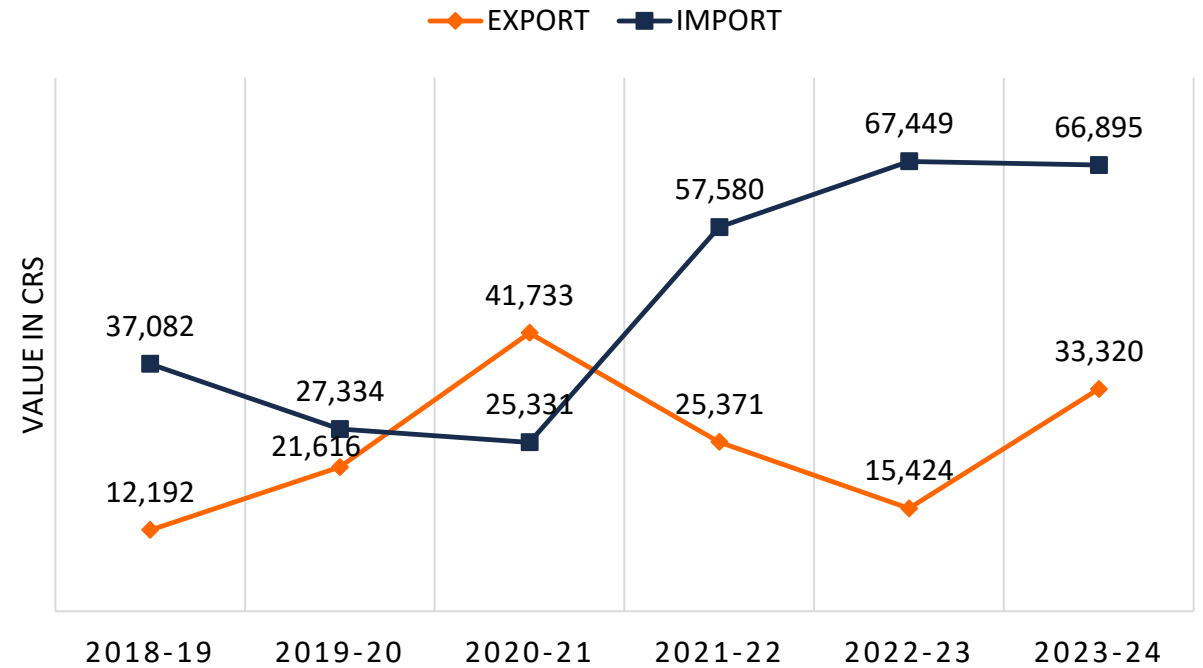


# Production Capacity of Minerals

PRODUCTION OF MINERALS (OTHER THAN ATOMIC, MINOR AND HYDROCARBON ENERGY MINERALS)



EXPORT-IMPORT OF MINERALS (OTHER THAN ATOMIC, MINOR AND HYDROCARBON ENERGY MINERALS)

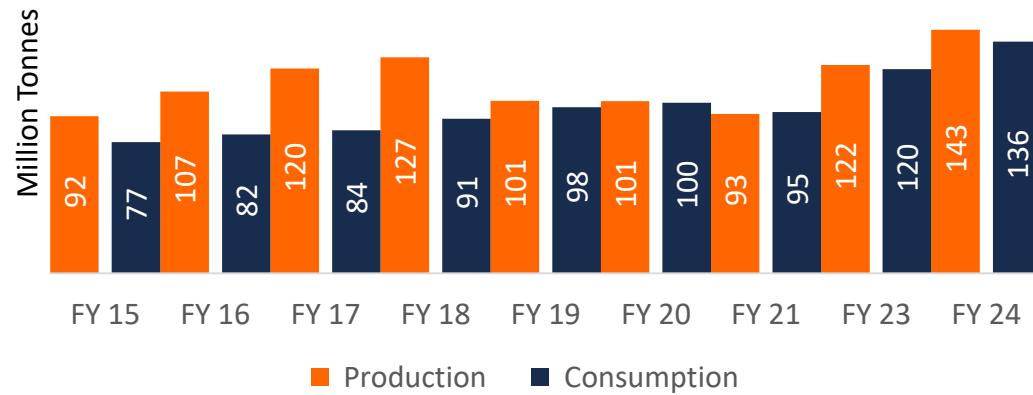


- Production of as many as 95 minerals is undertaken in India, including 4 fuel minerals, 10 metallic minerals, 23 non-metallic minerals, 3 atomic minerals and 55 minor minerals (including building and other materials)

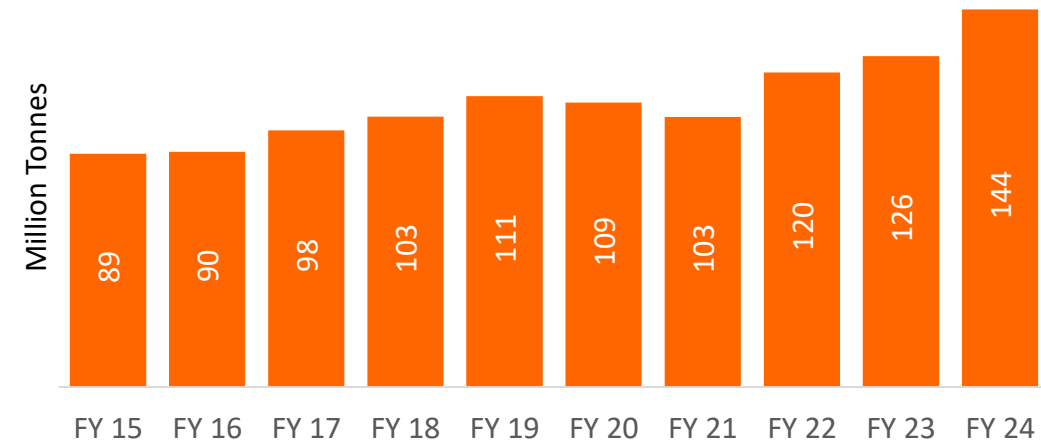


# Steel : Rising Demand

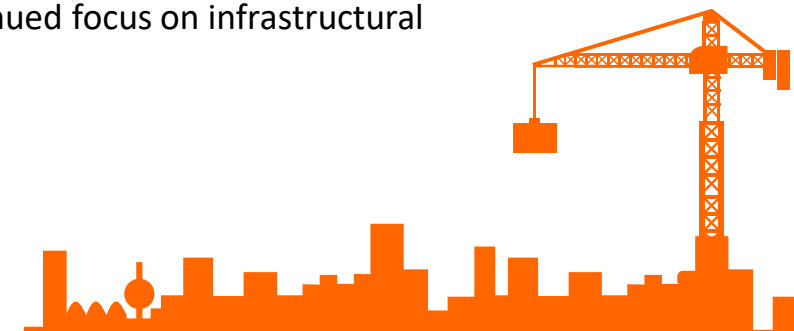
## Finished steel production and consumption



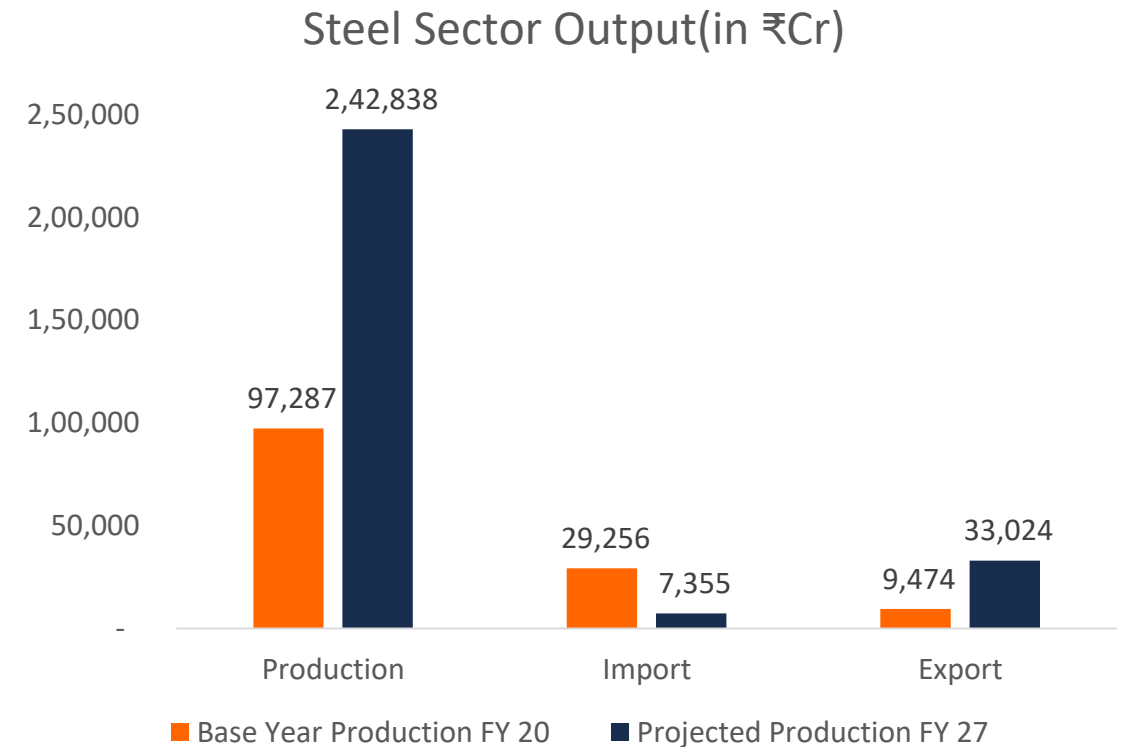
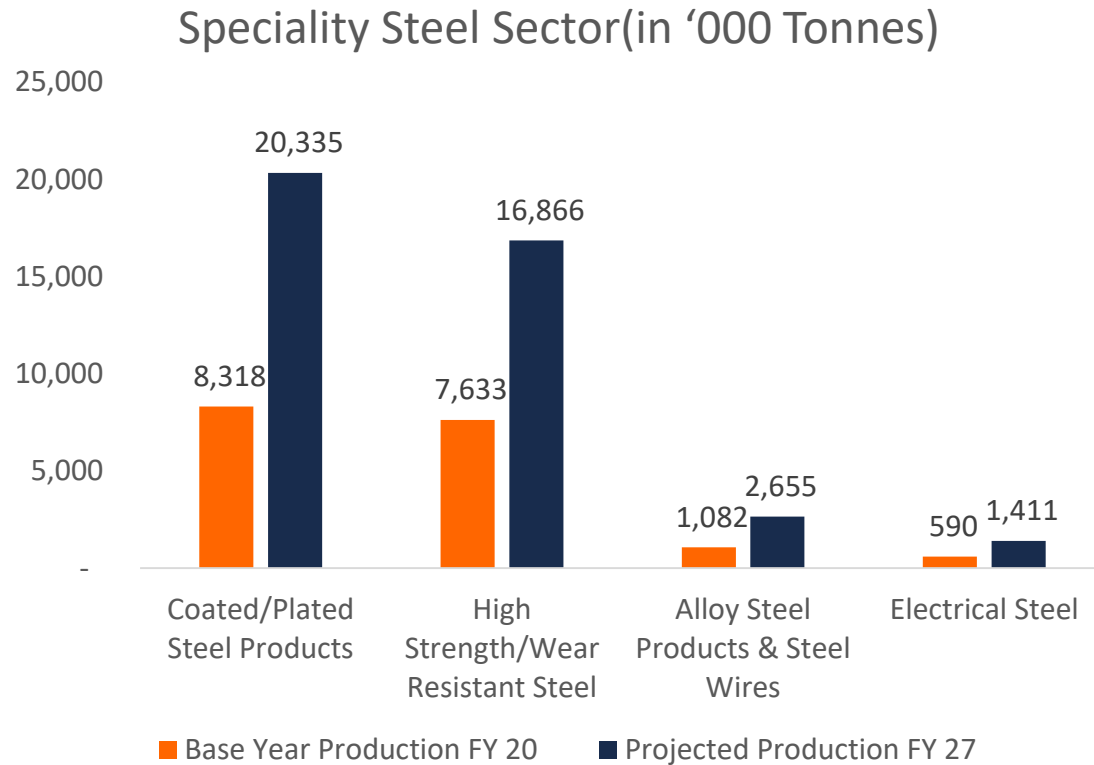
## Crude steel production



- Indian government's approved National Steel Policy (NSP) 2017 envisages 300 MT(Million Tons) steel making capacity and 160 Kgs per capita steel consumption by 2030-31.
- The domestic steel demand growth may be healthy at 7-8% in FY24-25, amid the government's continued focus on infrastructural development.



# Speciality Steel : Production Capacity



- The projected production of the specialty steel grades is expected to more than double by 2026-27 vis-à-vis FY 2020.



# Steel : Government Initiatives

## PLI SCHEME

Approved Rs. 6,322 crore outlay of Specialty Steel for a 5 year period

## Green Steel Making

13 task force assigned to discuss, deliberate and recommend upon decarbonization of steel sector.

## PM Gati Shakti National Master Plan

integrated BISAG-Ns~ capabilities to gain insights into steel production facilities.



## Steel Scrap Recycling Policy

Provides a framework to facilitate and promote establishment of metal scrapping centers.

## National Steel Policy

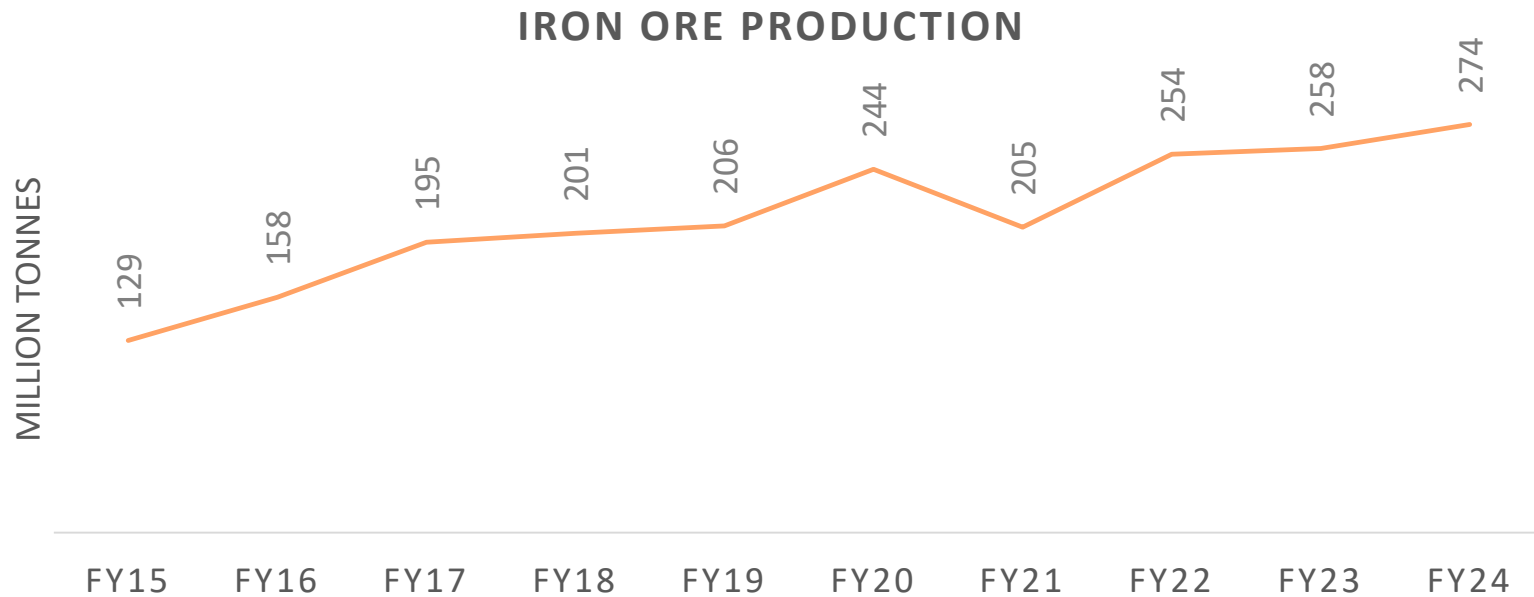
Lays down the broad roadmap for encouraging long term growth for the Indian steel industry.

## Steel Products (Quality Control) Order

Banning sub-standard defective steel products both from domestic & imports



# Iron Ore : Production Capacity

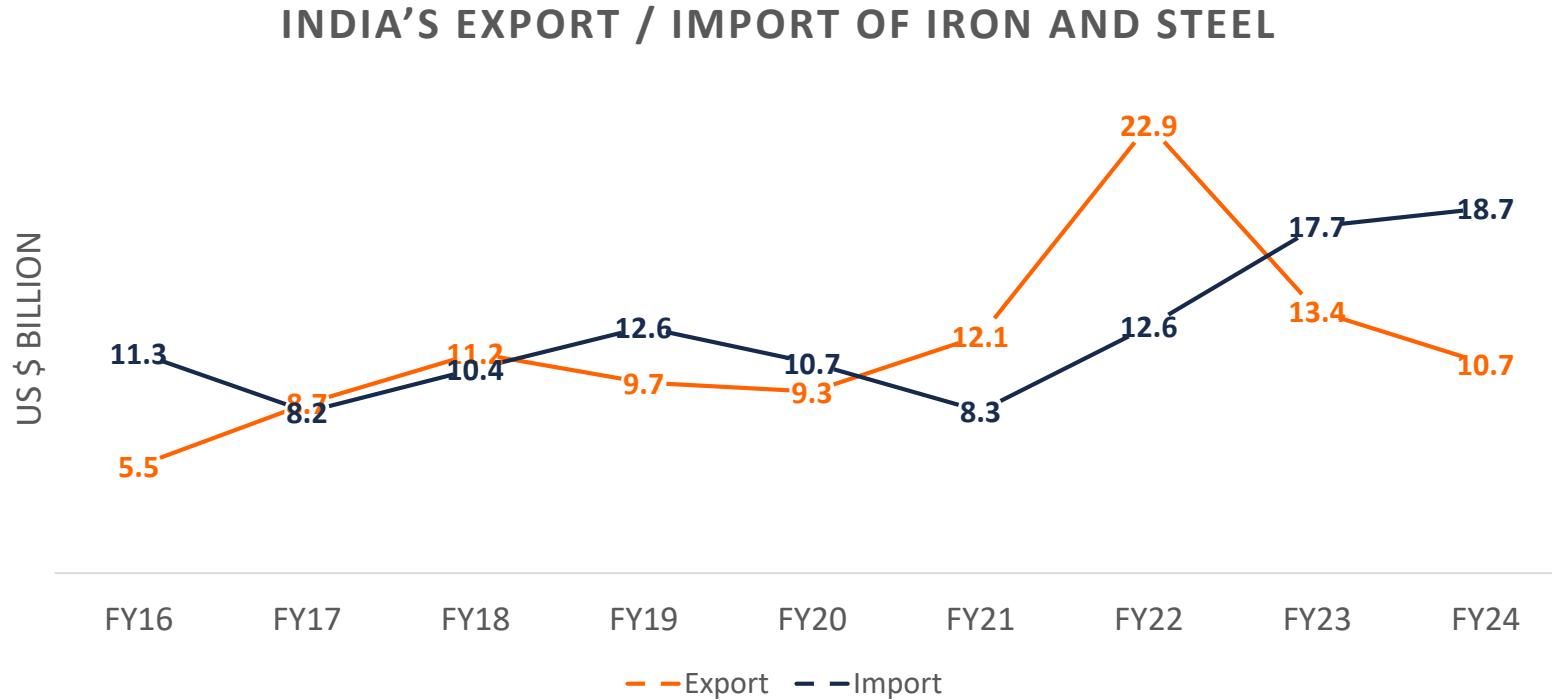


- Iron ore is a key input for production of steel and primary iron
- Majority (over 85%) of iron ore reserves are of medium to high grade and are directly used in blast furnace and direct reduced iron (DRI) plants in the form of sized lumps or sinters or pellets.

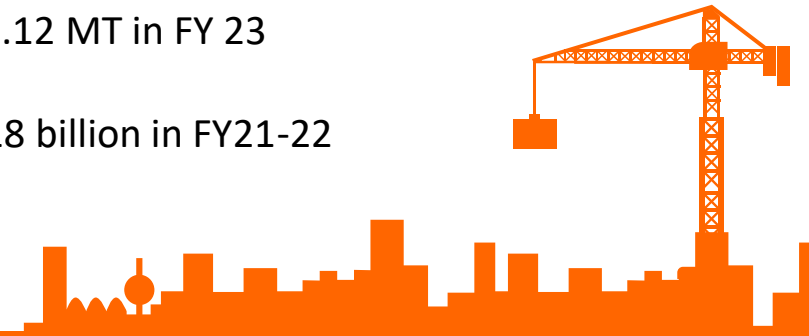




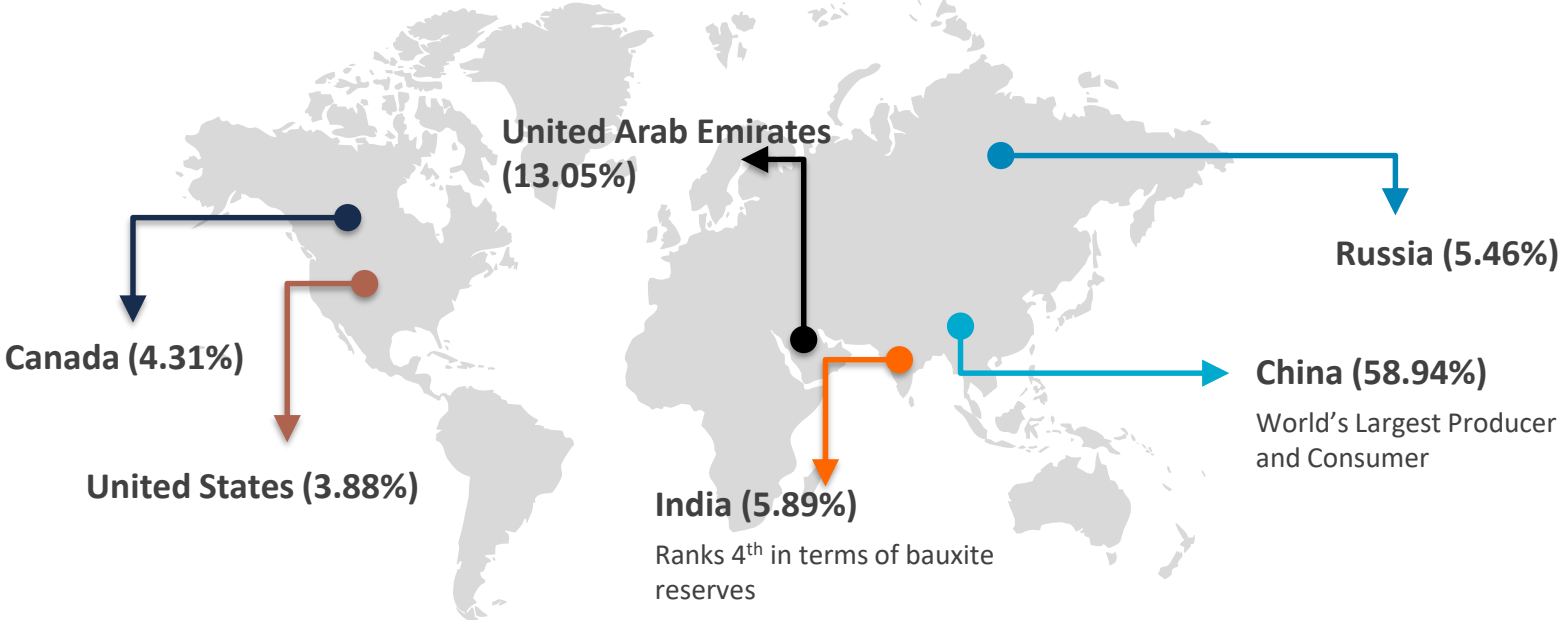
# Iron Ore & Steel : Export Import Dynamics



- Imports of steel increased by 5.25% to 18.65 MT (Million Tones) in FY24 from 17.12 MT in FY 23
- In FY 22-23, exports of iron ore stood at US\$ 1.75 billion as compared to US\$ 3.18 billion in FY21-22



# Aluminium : World Production



### World Production & Consumption

During April – March 2024, world production was 71.191 million tons against world consumption of 70.952 million tons.

### US Geological Survey

The survey noted that world Aluminium output increased slightly in 2023, coming in at 70 million metric tons (MMT) compared to previous year.

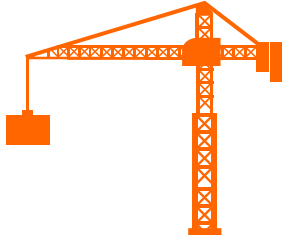


### World Demand

In 2021, the world primary Aluminium demand reached new all-time highs.

### Largest Market

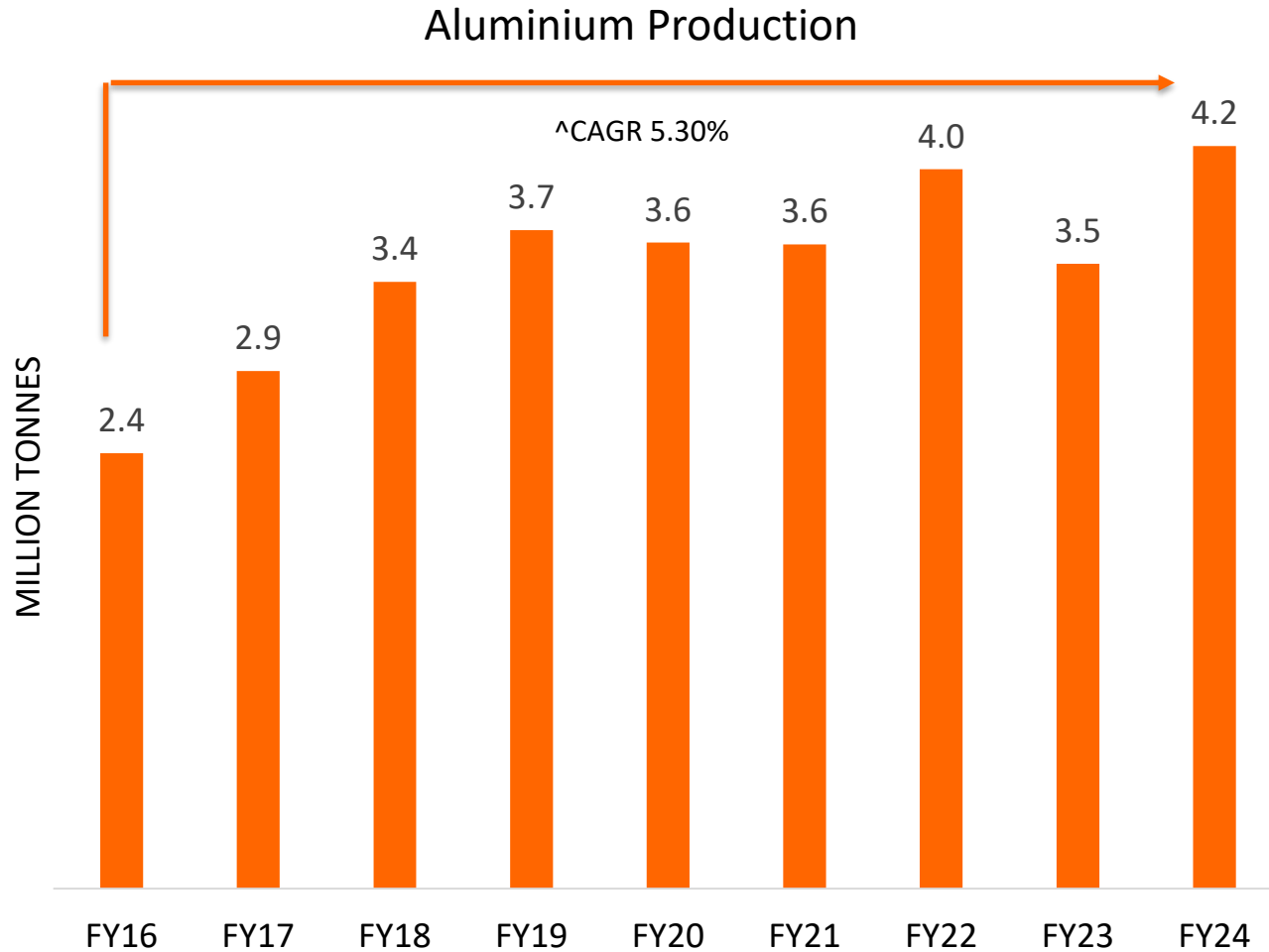
Aluminium represent second largest metal market in the world, in volume terms, after iron and steel.



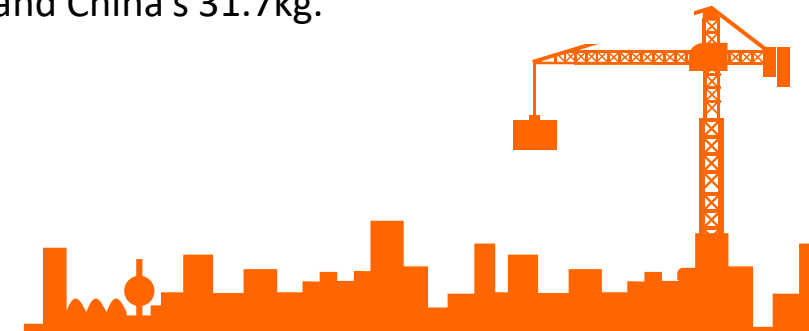
Source: Data as on Dec 31, 2023; Trading Economics; Ministry of Mines . Forecasts as per latest data available



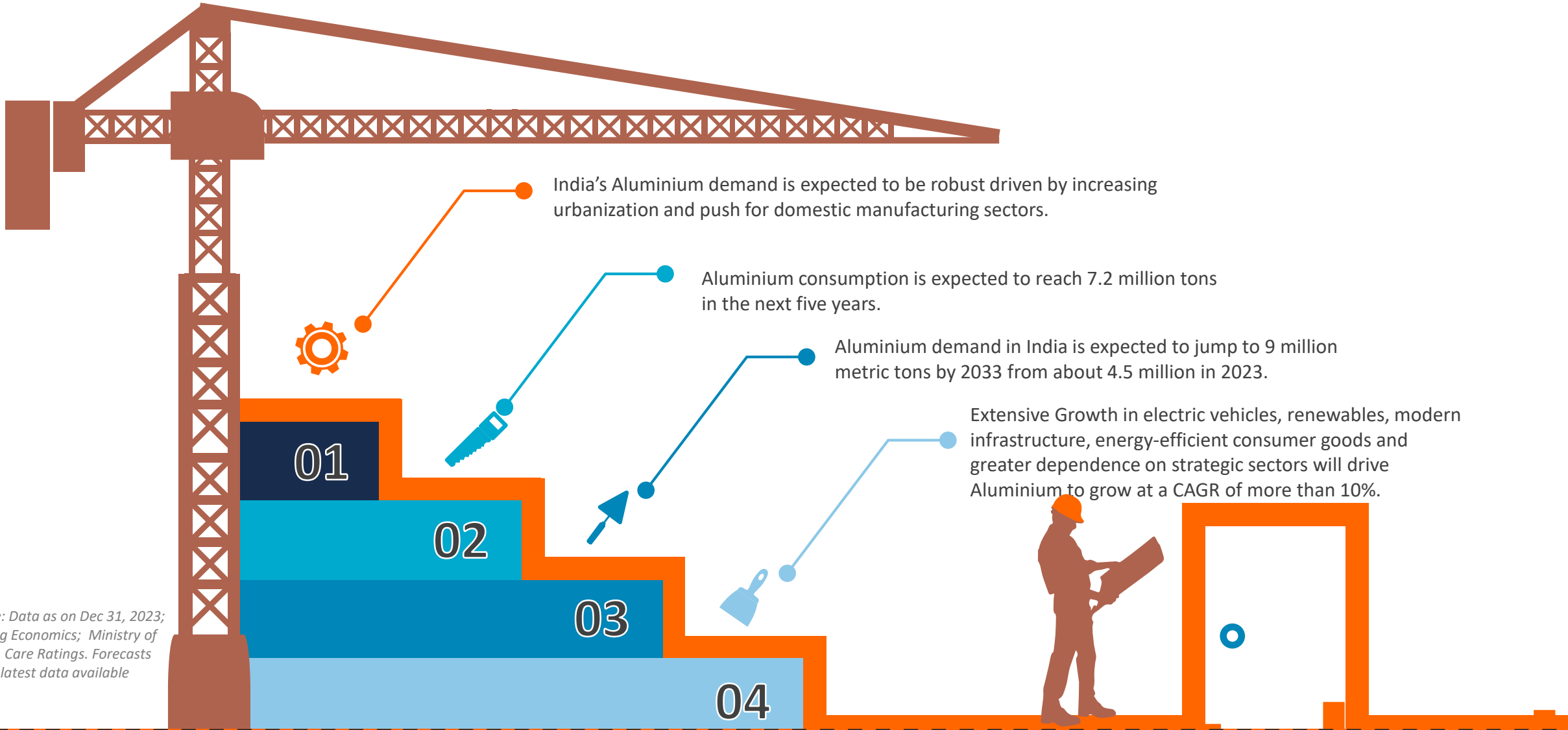
# Aluminium : Production Capacity



- Aluminium is critical for all the key sectors that may aid India becoming a US\$ 5 trillion economy.
- Aluminium demand in India is expected to jump to **9 million metric tons by 2033** from about 4.2 million in FY24.
- ICRA has estimated the domestic Aluminium demand growth to remain healthy at around 9% in the next two fiscal years, given the Government's thrust on infrastructure development.
- The per capita consumption of Aluminium in India is about 3.1 kg compared to the world average of about 12 kg and China's 31.7kg.



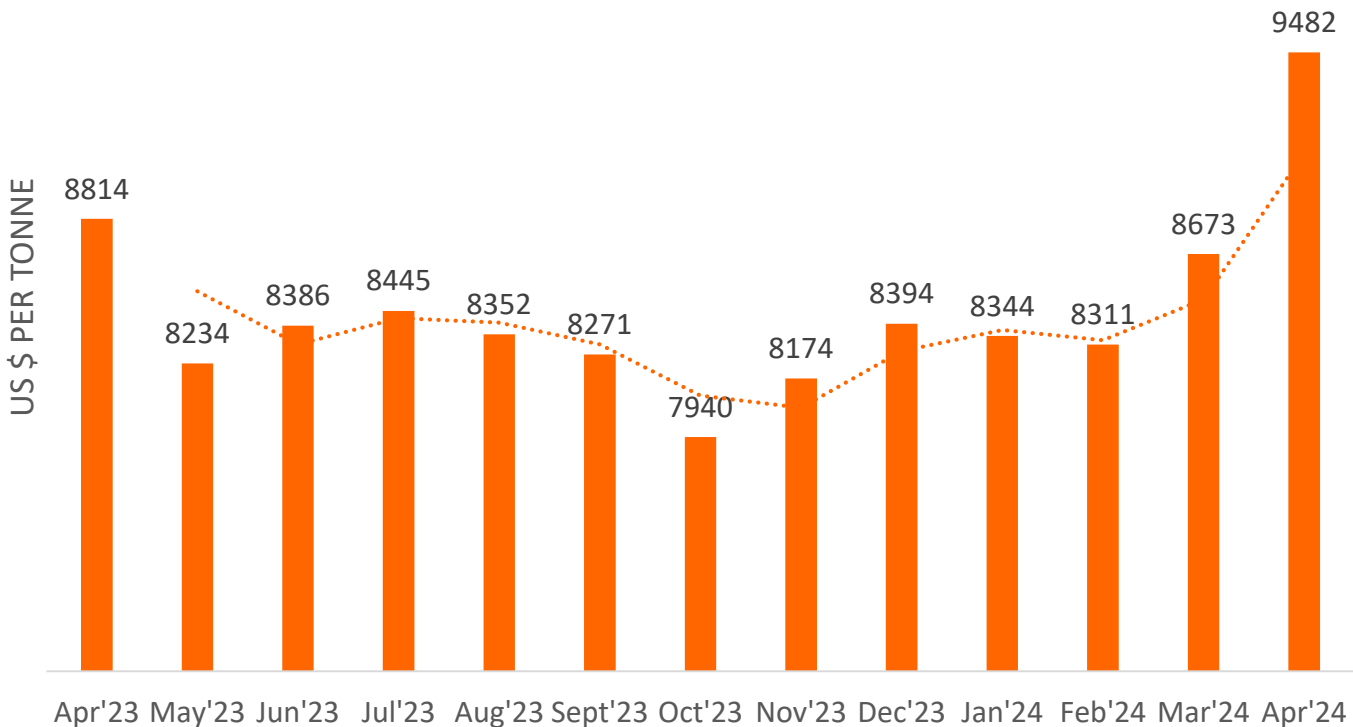
# Aluminium : Strong Economic Growth



Source: Data as on Dec 31, 2023; Trading Economics; Ministry of Mines, Care Ratings. Forecasts as per latest data available

# Copper: Global Scenario

Average LME<sup>^</sup> Price Graph



- The Average LME <sup>^</sup> Price registered an increase by 7.58% from Apr'23 – Apr'24.
- The world copper mine production from Mar'23 to Feb'24 was about 22.626 TMT (thousand metric tons). Share of India was 26.960 TMT i.e 0.11%.
- The global copper industry is projected to grow significantly with several factors driving this expansion. The International Copper Study Group (ICSG) reports that global copper usage is expected to increase by 2.5% annually, **reaching 30 million metric tons by 2030.**



# Copper: Domestic Industry Trends

Demand Growth



Domestic refined copper demand growth is expected to remain healthy at ~11% in FY 24 and FY 25, outpacing the rate of global growth in copper demand

Per Capita Consumption



India's per capita copper consumption is estimated around 0.6 kg compared to the global average of 3.2 kg.

Export / Import Dynamics

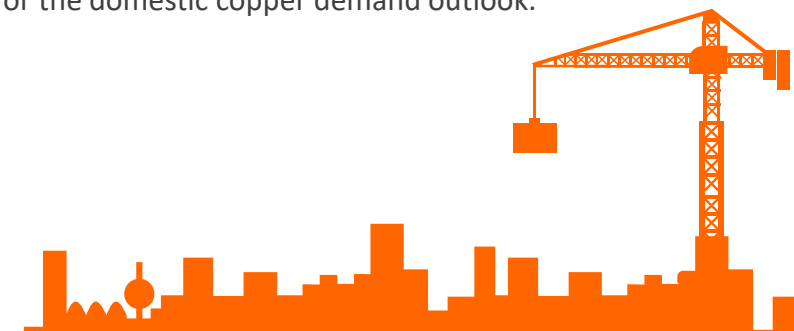


Lower production of refined copper in India results in deficit situation in the domestic market, which is being met through high imports. The refined copper imports increased by ~30% in FY23 and ~180% in H1 FY24.

Government Initiative



Significant emphasis by Government of India towards affordable housing scheme, smart city projects and the defense sector as well as expected higher penetration of electric vehicles and its associated infrastructure bode well for the domestic copper demand outlook.



# Growth : Favourable Policies



- MINES AND MINERALS DEVELOPMENT & REGULATION ACT 2021**
- For increasing mineral production and time bound operationalization of mines and investment in mining sector



- NATIONAL MINERAL POLICY 2019**
- Bring transparency and better regulation and enforcement



- SKILL DEVELOPMENT PLAN FOR MINING SECTOR ( 2016-2022)**
- Increase the capacity and quality of training infrastructure and trainers to address human resource needs



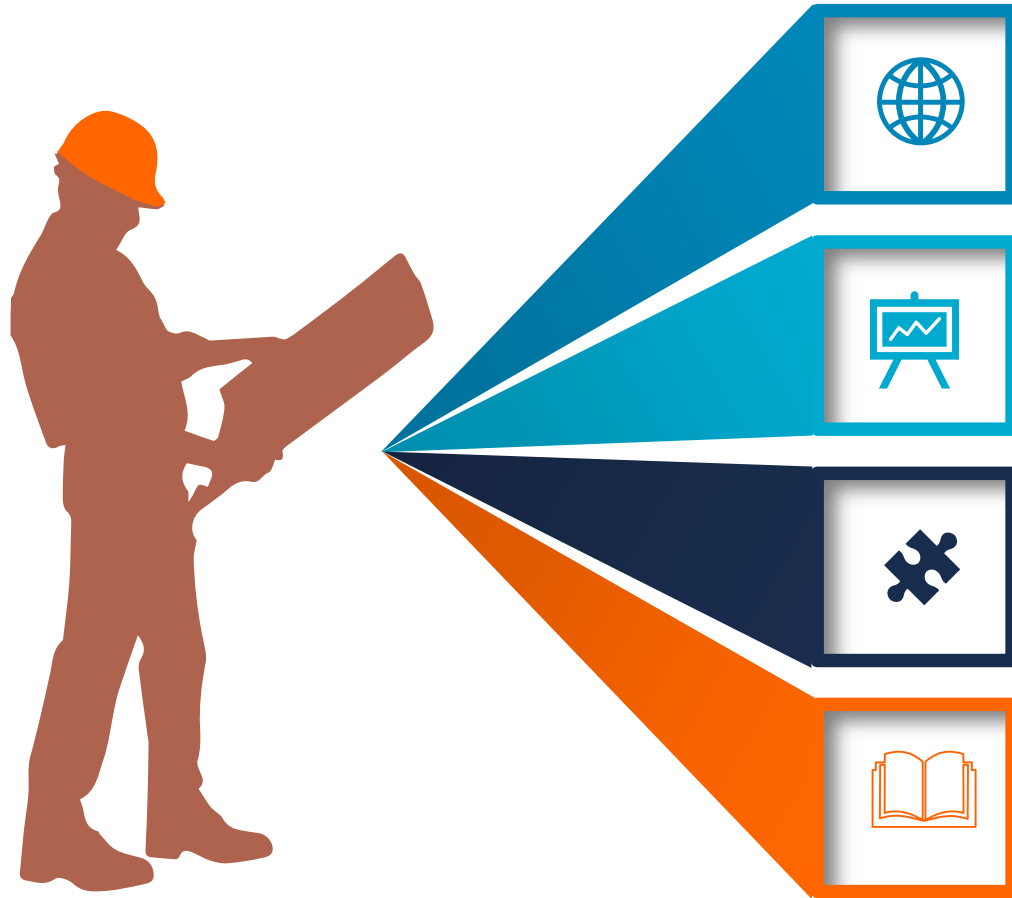
- PRODUCTION\_LINKED INCENTIVE (PLI) SCHEME**
- The Ministry of Steel has signed 57 MoUs with 27 companies which is expected to generate an investment of ~INR 30,000 Cr with an additional capacity creation of about 25 MT of specialty steel in the next 5 years.
  - Iron & Steel Companies benefitting : Tata Steel Limited; JSW Steel Limited; Steel Authority of India Hindalco Industries.

# NIFTY METAL INDEX



# Index Methodology : Nifty Metal Index

The Nifty Metal Index aims to reflect the behavior and performance of the Metal sector (including mining). The Nifty Metal Index comprises of maximum 15 stocks that are listed on the National Stock Exchange (NSE).



## Universe of Nifty 500 Index

Stocks shall be selected from the universe of stocks that form part of Nifty 500 Index, these eligible stocks should form part of metal sector.

## Free Float Market Capitalization

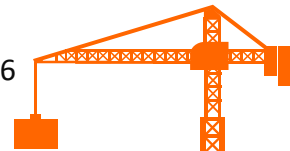
Weightages of each stock is based on its free float market capitalization such that no single stock shall be more than 33% and weightage of top 3 stocks cumulatively should not be more than 62% at the time of rebalancing.

## Index Rebalancing

The index is reconstituted semi-annually and weights are rebalanced quarterly.

## Trading History

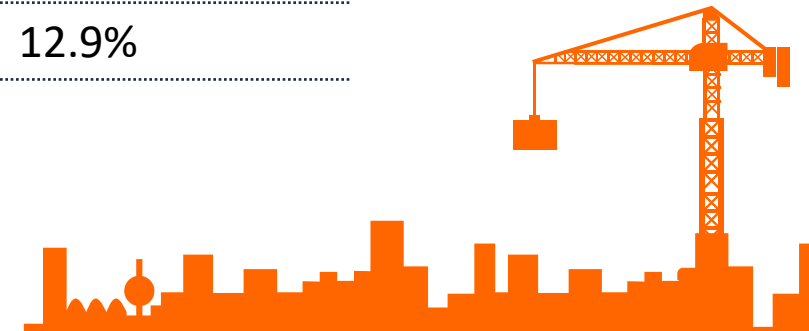
Companies should have trading frequency of at least 90% in the last 6 months to get selected in the index.



# Periodic Performance : Nifty Metal Index v/s Broad Based Indices

Particulars	Nifty Metal Index (%)	Nifty 50 Index (%)	Nifty 500 Index (%)
Since Inception	13.4%	15.2%	15.6%
15 Years	9.2%	13.3%	14.2%
10 Years	14.3%	13.6%	15.3%
7 Years	17.5%	15.7%	16.7%
5 Years	34.7%	19.4%	22.7%
3 Years	19.9%	15.2%	19.0%
2 Years	26.4%	20.5%	25.6%
1 Years	41.9%	32.6%	41.6%
YTD 2024	18.3%	17.3%	23.1%
6 Months	20.2%	15.9%	19.3%
3 Months	-3.0%	12.6%	12.9%

*\*Data as on Aug 31, 2024. National Stock Exchange (NSE), Past performance may or may not sustain in future .. The index return is in Total Return Variant. The data shown above pertains to the Index and does not in manner indicate performance of any scheme of the Fund. Historical portfolio of the index has been created and rebalanced periodically based on market data present on those concerned historical periods, which is captured by the index portfolio changes and performance metrics. No additional performance or portfolio assumptions have been made by the AMC .Launch Date: 12 July 2011; Since Inception: 1 Apr, 2005*



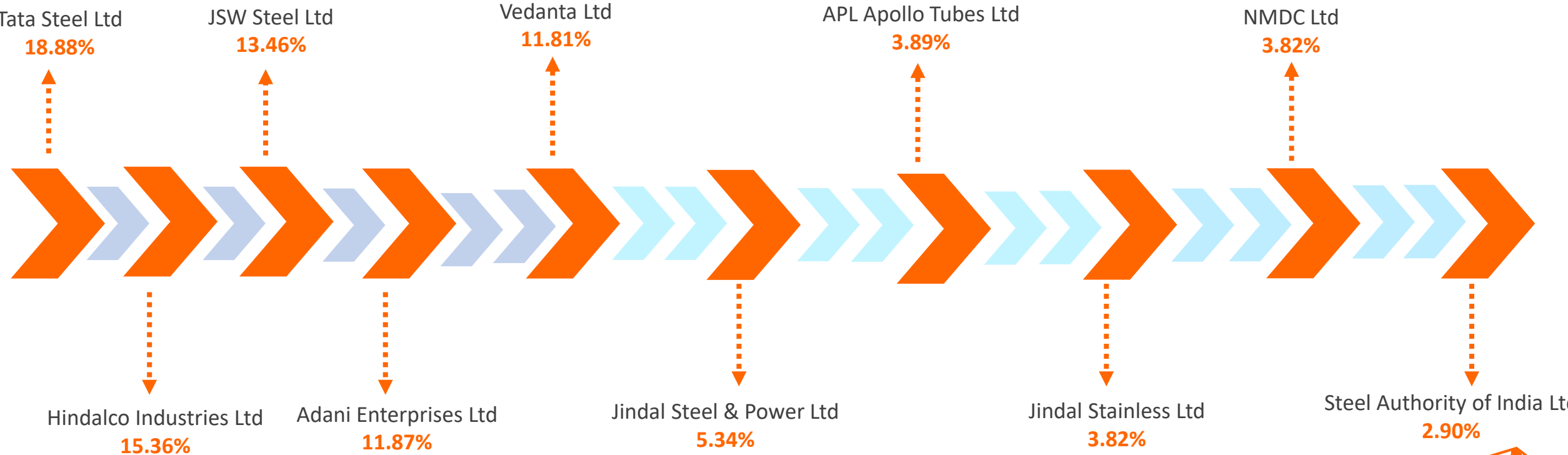
# Calendar Year Performance : Nifty Metal Index

Period	Nifty Metal Index	Nifty 500 Index	Nifty 50 Index
2023	19.1%	26.9%	21.3%
2022	25.3%	4.2%	5.7%
2021	73.4%	31.6%	25.6%
2020	18.0%	17.9%	16.1%
2019	-9.6%	9.0%	13.5%
2018	-16.8%	-2.1%	4.6%
2017	54.0%	37.7%	30.3%
2016	48.4%	5.1%	4.4%
2015	-29.4%	0.2%	-3.0%
2014	8.4%	39.3%	32.9%
2013	-12.2%	4.8%	8.1%
2012	19.4%	33.5%	29.4%
2011	-47.2%	-26.4%	-23.8%
2010	0.9%	15.3%	19.2%
2009	232.5%	91.0%	77.6%
2008	-73.3%	-56.5%	-51.3%
2007	143.3%	64.6%	56.8%
2006	98.1%	36.2%	41.9%

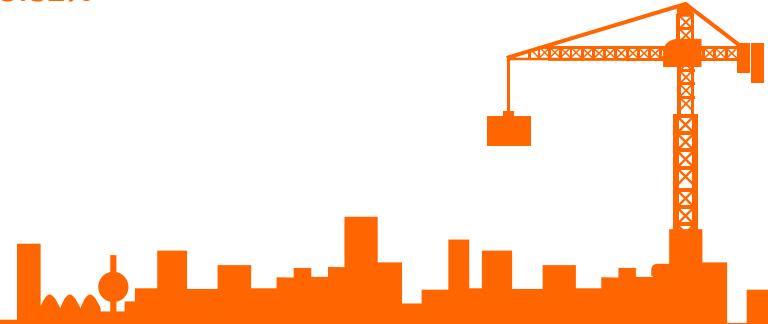
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# Portfolio Representation: Top 10 Stocks of Nifty Metal Index



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# Performance Metrics: Nifty Metal Index

Constituents of Nifty Metal Index	Sub -Sector	Weights (%)	Sales - 3 Yr. Avg Growth (%)	Net Income Y-o-Y Growth (%)	Debt/Common Equity	Return on Assets (%)	Return on Equity (%)
<b>Tata Steel</b>	Iron & Steel	18.9	17	51	0.95	-2	-5
<b>Hindalco Industries</b>	Aluminium	15.4	20	25	0.57	4	10
<b>JSW Steel</b>	Iron & Steel	13.5	34	-64	1.13	4	12
<b>Adani Enterprises</b>	Trading Minerals	11.9	45	116	1.67	2	9
<b>Vedanta</b>	Diversified Metal	11.8	20	37	X	X	X
<b>Jindal Steel &amp; Power</b>	Iron & Steel	5.3	15	-21	0.39	8	14
<b>APL Apollo Tubes</b>	Iron & Steel	3.9	30	0	0.32	11	22
<b>NMDC</b>	Iron & Steel	3.8	19	19	0.13	17	23
<b>Jindal Stainless</b>	Iron & Steel	3.8	61	-13	0.42	9	21
<b>Steel Authority of India</b>	Iron & Steel	2.9	17	-62	0.64	2	5
<b>National Aluminium</b>	Aluminium	2.5	17	80	0	11	14
<b>Hindustan Zinc</b>	Zinc	1.9	0	19	0.60	X	X
<b>Hindustan Copper</b>	Copper	1.6	-1	140	0.10	9	14
<b>Ratnamani Metal &amp; Tubes</b>	Iron & Steel	1.4	31	-21	0.05	16	22
<b>Welspun Corp</b>	Iron & Steel	1.4	40	47	0.35	8	21

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# Why invest in this index? : Nifty Metal Index

## FOCUSED EXPOSURE TO METAL SEGMENT

Nifty Metal Index provides exposure to 15 stocks from Indian Metals and Mining sector, listed in National Stock Exchange. The index consists of companies involved in extraction, processing and distribution of metals including iron ore, steel, aluminum, zinc, copper etc.

## POTENTIAL

Increasing government incentives through Steel PLI scheme is likely to generate investment of ~INR 30,000 Cr in metal sector. Infrastructural developments in India are also likely to contribute to more than 25% of metal demand in the coming decade. Looking at thriving demand for metals, investors seeking to gain exposure to expanding Indian metal industry may invest in Nifty Metal Index.

## OPPORTUNITIES

India ranks amongst top 5 producers of metals including: Aluminum, Steel and Iron etc. Metal Index allows you to take potential tactical exposure based on short-term view and may be long-term play due to India's focus on infrastructure and manufacturing

## TRACKING HISTORIC PERFORMANCE

Historical data shows that the Nifty Metal Index has outperformed the Nifty 500 Index five times in the past decade having reasonably strong cyclical stock performance (slide 18)



## Disclaimers

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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)

**THANK YOU**

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## Scheme Details

Particulars	Mirae Asset Nifty Metal ETF
NFO Period	Sep 20, 2024 – Sep 30, 2024
Type of Scheme	An open-ended scheme replicating/tracking Nifty Metal Total Return Index
Benchmark	Nifty Metal Total Return Index
Allotment Date	Oct 04, 2024
Listing Date	Within 5 working days from the date of allotment
Fund Manager	Miss. Ekta Gala & Mr. Akshay Udeshi
Minimum Investment during NFO	Rs. 5000/- and in multiples of Re. 1/- thereafter.
Exit Load	Nil

# Disclaimers

## PRODUCT LABELLING

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

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

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



The Product Labelling assigned during the NFO is based on internal assessment of the scheme characteristics or model portfolio and the same may vary post NFO when the actual investments are made.