



**INVEST IN THE SELECT
CHOSEN PRIVATE BANKS**

**INVEST IN TATA NIFTY PRIVATE BANK
EXCHANGE TRADED FUND**

TATA

NIFTY PRIVATE BANK EXCHANGE TRADED FUND

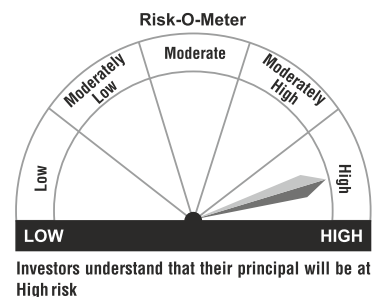
(An Open-Ended Exchange Traded Fund replicating/tracking -Nifty Private Bank Index)

NFO opens: 16th August, 2019 | NFO closes: 29th August, 2019

This product is suitable for investors who are seeking*:

- Long Term Capital Growth.
- An exchange traded fund that aims to provide returns that closely correspond to the returns provided by Nifty Private Bank Index, subject to tracking error.







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



Mutual Fund investments are subject to market risks, read all scheme related documents carefully.

Why ETFs ?

An ETF is a passively managed mutual fund scheme tracking a benchmark index and reflects the performance of that index

CRITERION		ETFs
 Underlying		Tracks a benchmark
 Fund Management		Passively managed
 Dealing Entity for purchase and redemption		Exchange (BSE and NSE) and Fund House
 NAV		Certain proportion of underlying index
 Price to buy and redeem		Prevailing price at exchange
 Cost		Lower cost than actively managed equity funds

Why invest in the Banking Sector ?

The Indian economy stands at a critical juncture of its evolution. There are expectations of rapid growth, inclusive growth, wealth creation, trickle down of wealth, better living standards, quality infrastructure & access to basic banking facilities. We see the consumer lending space in India as a huge opportunity for the organized lenders.

Tata Nifty Private Bank ETF will allow investors to tap into the Indian Private Retail and Corporate Banking Sector.

Why Private Banks:

Private Banks will be able to leverage their expertise & established market positions to grow their retail books and expand services ranging from plastic money to diversified financial services that will allow them to outperform the market.

CRITERIA	PRIVATE BANKS	PUBLIC SECTOR BANKS (PSBs)
Asset Quality	Superior asset quality	Asset quality has declined due to NPAs
Net Interest Margins (NIMs)	Higher NIMs	Lower NIMs despite lower cost of funds
Market Share	Share of deposits and advances rising	Share of deposits and advances declining
Non-Interest Income	Significantly diversified beyond Interest Income	Unable to diversify source of income
Profitability	Stable profits in the face of the NPA crisis	Significant losses due to NPA provisioning
Return on Equity	Stable returns on equity	ROE declined to negative between FY16-FY19

About the Nifty Private Bank Index

Top 5 Portfolio Stocks (As on 31st July, 2019)

Stock	Weightage (%)
HDFC Bank	28.91
ICICI Bank	20.87
Kotak Mahindra Bank	15.23
Axis Bank	14.46
IndusInd Bank	10.97

- Tata Nifty Private Bank ETF will allow investors to tap into the Indian Private Banking Sector.
- The underlying index includes 10 Private Banks that fall within the top 800 companies based on both average daily turnover and average daily full market capitalization for the last six months. Preference is given to stocks available for F&O trading.
- The fund is dominated by the five largest private banks by market capitalization that make up 92% of the index

PERFORMANCE OF THE NIFTY PRIVATE BANK INDEX (As on 31st July 2019)

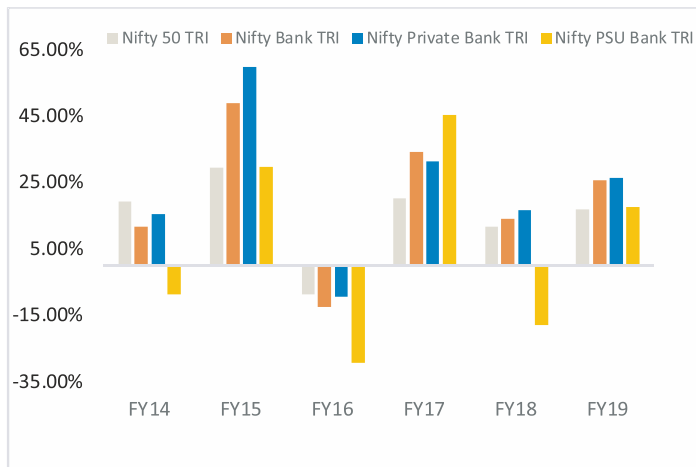
Return Period	Nifty 50 TRI	Nifty Bank TRI	Nifty Private Bank TRI	Nifty PSU Bank
1 Year	-1%	4%	2%	-13%
3 Years	10%	4%	15%	4%
5 Years	9%	14%	16%	-4%
7 Years	13%	17%	19%	3%
10 Years	13%	15%	19%	1%

According to Warren Buffett there are 3 types of companies; Great, Good and Gruesome. The ones which do not require more capital for growth but continue to generate cash from the business are Great companies to invest into. The ones which need capital to grow and will generate cash only when investments are made are good companies. Gruesome ones are those which consume capital but do not generate cash or returns.

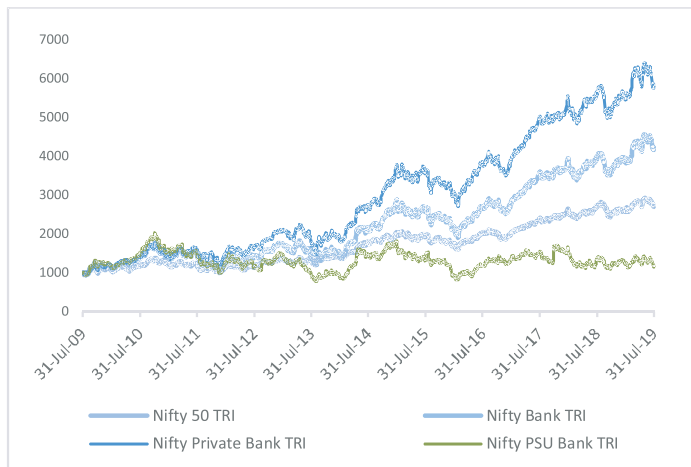
Banks in the past decade illustrate this quite well. The great companies have continued to grow. Banks have contributed heavily to the growth of Indian economy and provided funding for business expansion. Private Banks fare better than PSUs on asset quality, interest and non-interest income, profitability and market share. PSU Banks have been recapitalized multiple times but still continue to erode capital. Also, amongst private banks, strong private banks like HDFC Bank, ICICI Bank, Axis Bank, Kotak Bank command high allocations in the index.

Investing in Tata Nifty Private Bank ETF will give a portfolio of select private bank stocks at lower cost.

Performance of the Index across Financial Years (1st April to 31st March)



Relative Performance of the Private Bank Index (Rebased to 1000)



Scheme Details

NFO Dates	16th August- 29th August 2019
Minimum Investment Amount	During NFO Rs. 5,000/- and in multiple of Re.1/- thereafter On Continuous basis – Authorized Participants & Large Investors in Creation Unit Size
Load Structure	Entry Load: NA; Exit Load: Nil
Benchmark	Nifty Private Bank Index TRI
Fund Manager	Sailesh Jain
Allotment Price	Approx. 1/100 of Underlying Index (Nifty Private Bank Index)
Unit Creation Size	15000 Units
Authorized Participants	Edelweiss Securities Ltd and Jigar Commodities and Derivatives Pvt Ltd

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