



# Exchange Traded Fund Picks (ETF)

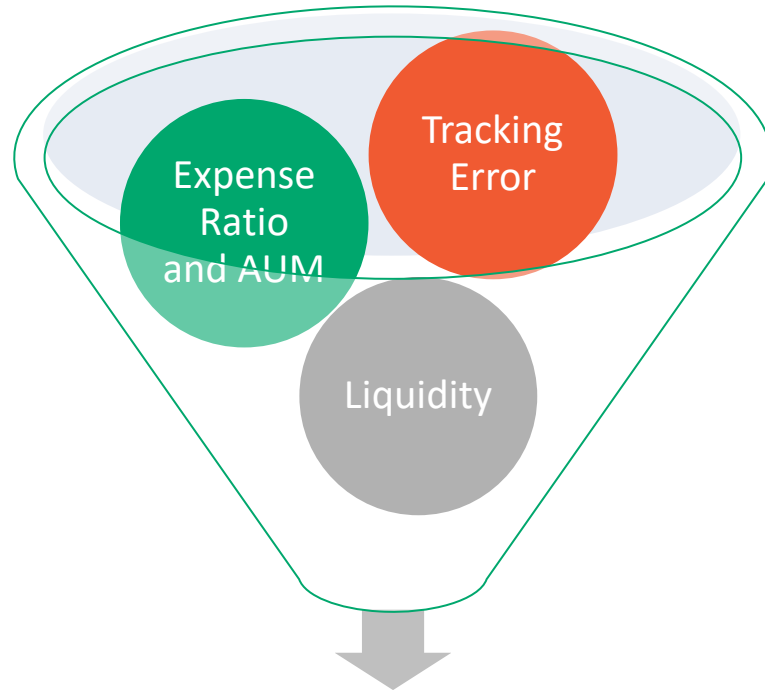
# What is an ETF?

The ETFs are type of mutual Fund that is listed and traded on the stock exchange just like stocks. It is an open ended Mutual Fund scheme which invest in a basket of stocks that reflects the composition of an index like the Nifty 50 or the Sensex index. The ETF prices reflects the net asset value of basket of stocks in which it is investing. The actively managed Mutual Funds aim to generate alpha by outperforming its benchmark, whereas the ETFs aim to track the underline index and replicate its return.

## Types of ETFs

Equity ETFs	<ul style="list-style-type: none"><li>• Equity ETFs aims to track an underlying index like Nifty 50, Sensex etc. Equity ETFs invest in a basket of stocks, which replicate the underlying index that the ETF aims to track</li></ul>
Debt ETF	<ul style="list-style-type: none"><li>• Debt ETFs track debt indices allowing investors to take exposure to various types of fixed income securities including government securities, T-bills, corporate bonds etc.</li></ul>
Commodity ETFs	<ul style="list-style-type: none"><li>• Commodity-based ETFs invest in commodities such as gold or silver. These ETFs aims to track the performance of respective commodity.</li></ul>
International ETFs	<ul style="list-style-type: none"><li>• An international ETF invest mainly in foreign based securities. These ETFs track a country specific index.</li></ul>

# Our philosophy while selecting ETFs



**Top ETFs selected after considering these parameters**

## Our philosophy while selecting ETFs:-

ETFs are passively managed funds and therefore we are considering fund expense ratio, AUMs, tracking error and liquidity while selecting ETFs.

- **Expense Ratio:-** ETFs are passively-managed funds and therefore lower the expense ratio better it is.
- **Fund AUM:-** This means the total asset under management and the ETF should have reasonable AUM compared to its category.
- **Tracking Error:-** Tracking error is the deviation between index return and the ETF return.
- **Liquidity:-** This is an important factor for any ETF as these are bought and sold in the stock exchange. If liquidity is not available for any ETF then the investor may not find enough buyers to sell ETF investment.



# Equity ETFs

# Nifty 50 ETFs

ETF Name	Expense Ratio %	AUM (Cr\$)	Average Traded volume (May-23 to Apr-24 & Rs. Lakhs)	Performance as on May 2, 2024		
				1Yr	2Yr	3Yr
Nippon India ETF Nifty 50 BeES	0.04	24,793	6,573	26.1	16.4	16.9
SBI Nifty 50 ETF	0.04	1,79,765	2,606	26.0	16.4	16.9
ICICI Prudential Nifty 50 ETF	0.03	14,939	679	26.1	16.5	16.9
<b>Index</b>						
Nifty 50 TRI	-	-	-	26.1	16.5	17.0

Nifty 50 ETFs track the composition of the Nifty 50 Index. When investor buy a Nifty 50 ETF, then they are getting exposure to the 50 stocks that form the Index.

# Nifty Next 50 ETFs

ETF Name	Expense Ratio %	AUM (Cr₹)	Average Traded volume (May-23 to Apr-24 & ₹ Lakhs)	Performance as on May 2, 2024		
				1Yr	2Yr	3Yr
Nippon India ETF Nifty Next 50 Junior BeES	0.17	4,262	733	66.4	25.3	24.5
SBI Nifty Next 50 ETF	0.15	2,513	101	66.5	25.4	24.5
<b>Index</b>						
Nifty Next 50 TRI	-	-	-	66.8	25.6	24.8

## Nifty Next 50 ETFs:-

The Nifty Next 50 ETFs will aim to track the Nifty Next 50 Index and will consist of 50 large cap companies which are part of Nifty 100 index but does not form part of Nifty 50. Effectively, the Nifty Next 50 Index consists of smaller large cap companies and thus historically has provided a blend of large cap and mid cap segment both in terms of portfolio and performance.

## Midcap ETFs

ETF Name	Expense Ratio %	AUM (Cr₹)	Average Traded volume (May-23 to Apr-24 & ₹. Lakhs)	Performance as on May 2, 2024		
				1Yr	2Yr	3Yr
Nippon India ETF Nifty Midcap 150	0.21	1,378	551	58.1	31.1	28.2
Mirae Asset Nifty Midcap 150 ETF	0.05	678	195	58.3	31.2	--
Motilal Oswal Nifty Midcap 100 ETF	0.23	404	112	60.0	31.8	29.1
<b>Index</b>						
<b>Nifty Midcap 100 TRI</b>	-	-	-	60.1	32.1	29.3
<b>Nifty Midcap 150 TRI</b>	-	-	-	58.5	31.4	28.5

### Nifty Midcap ETFs:-

NIFTY Midcap 150 represents the next 150 companies (companies ranked 101-250) based on full market capitalisation from NIFTY 500. This index intends to measure the performance of mid market capitalisation companies.

The Nifty Midcap 150 ETF and Nifty Micap 100 ETF will be managed passively with investments in stocks in the same proportion as in the Nifty Midcap 150 and Nifty Midcap 100 Index.

## Small Cap ETF

ETF Name	Expense Ratio %	AUM (Cr₹)	Average Traded volume (May-23 to Apr-24 & ₹. Lakhs)	Performance as on May 2, 2024		
				1Yr	2Yr	3Yr
HDFC NIFTY Smallcap 250 ETF	0.2	253	302	67.8	--	--
<b>Index</b>						
<b>Nifty Smallcap 250 TRI</b>	-	-	-	68.5	30.9	30.6

### Nifty Small Cap 250 ETFs:-

NIFTY Smallcap 250 represents the balance 250 companies (companies ranked 251-500) from NIFTY 500. This index intends to measure the performance of small market capitalisation companies





# Equity Sectoral ETFs

# Equity Sectoral ETFs

Sectoral/Thematic ETFs	Expense Ratio %	AUM (Cr)	Average Traded volume (May-23 to Apr-24 & Rs. Lakhs)	Performance as on 2 May 2024		
				1Yr	2Yr	3Yr
Sectoral - Bank ETFs						
Nippon India ETF Nifty Bank BeES	0.19	6,421	3,198	14.3	17.4	15.0
SBI Nifty Bank ETF	0.2	4,312	702	14.3	17.4	15.0
Kotak Nifty Bank ETF	0.16	5,365	623	14.2	17.3	15.0
UTI Nifty Bank ETF	0.16	3,270	301	14.3	17.5	15.1
Sectoral - PSU Bank ETFs						
Nippon India ETF Nifty PSU Bank BeES	0.49	2,876	1,705	81.2	67.6	55.2
Kotak Nifty PSU Bank ETF	0.49	1,687	379	81.3	67.6	55.2
Sectoral - Auto ETFs						
Nippon India Nifty Auto ETF	0.22	140	181	71.7	44.9	--
Sectoral - Healthcare ETFs						
Nippon India Nifty Pharma ETF	0.21	639	488	52.5	19.9	--
Sectoral - IT ETFs						
Nippon India ETF Nifty IT	0.22	2,236	1,967	20.2	5.0	10.7
ICICI Prudential Nifty IT ETF	0.2	403	292	20.3	5.0	10.7
Kotak Nifty IT ETF	0.18	191	41	20.3	5.2	10.8
Thematic						
CPSE ETF	0.05	39,197	1,591	107.9	57.1	56.0
ICICI Prudential Bharat 22 ETF	0.07	17,948	659	71.4	48.0	44.6

## Strategy ETFs

ETF Name	Expense Ratio %	AUM (Cr₹)	Average Traded volume (May-23 to Apr-24 & ₹ Lakhs)	Performance as on May 2, 2024		
				1Yr	2Yr	3Yr
ICICI Prudential Nifty 100 Low Volatility 30 ETF	0.42	2,745	294	33.8	19.6	18.4
ICICI Prudential Nifty Alpha Low - Volatility 30 ETF	0.42	932	160	51.7	27.7	23.8
Kotak Nifty Alpha 50 ETF	0.3	122	118	82.1	22.8	--
ICICI Prudential Nifty50 Value 20 ETF	0.25	128	65	34.6	21.4	21.0
<b>Index</b>						
<b>Nifty 100 Low Volatility 30 TRI</b>	-	-	-	34.5	20.2	18.9
<b>NIFTY Alpha Low Volatility 30 TRI</b>	-	-	-	52.6	28.4	24.5
<b>Nifty Alpha 50 TRI</b>	-	-	-	84.7	24.5	28.6
<b>Nifty 50 Value 20 TRI</b>	-	-	-	35.1	21.8	21.3



# Commodity ETFs

# Commodity ETFs

Commodiity ETFs	Expense Ratio %	AUM (Cr\$)	Average Traded volume (May-23 to Apr-24 & Rs. Lakhs)	Performance as on 2 May 2024		
				1Yr	2Yr	3Yr
Gold ETF						
Nippon India ETF Gold BeES	0.79	10,655	2,385	16.9	15.8	13.8
ICICI Prudential Gold ETF	0.5	4,666	493	17.1	15.9	14.1
SBI Gold ETF	0.65	4,583	465	17.4	15.7	14.0
HDFC Gold ETF	0.59	4,845	363	17.8	15.7	14.0
Kotak Gold ETF	0.55	4,059	203	17.1	15.9	14.1
Silver ETF						
Nippon India Silver ETF	0.51	2,155	2,140	7.0	10.6	--
ICICI Prudential Silver ETF	0.4	2,188	294	7.1	10.2	--
Aditya Birla Sun Life Silver ETF	0.35	321	155	4.2	10.4	--

A Gold ETF is an exchange-traded fund (ETF) that aims to track the domestic physical gold price. Silver ETF tracks the price of pure silver. These instruments invest in physical silver or silver related instruments.



# International ETFs

# International ETFs

ETF Name	Expense Ratio %	AUM (Cr₹)	Average Traded volume (May-23 to Apr-24 & Rs. Lakhs)	Performance as on 2 May 2024		
				1Yr	2Yr	3Yr
Motilal Oswal Nasdaq 100 ETF	0.58	7,264	610	35.2	22.0	12.2
Mirae Asset NYSE FANG+ ETF	0.66	2,022	425	64.5	38.6	--
Nippon India ETF Hang Seng BeES	0.93	502	265	-3.7	0.0	-8.6
Mirae Asset S&P 500 TOP 50 ETF	0.65	655	87	32.5	18.9	--

## International ETFs:-

### Nasdaq 100 Index:-

The Nasdaq 100 index tracks the 100 largest stocks listed on the Nasdaq stock exchange. The selected companies are mainly from sectors such as hardware and software, telecommunications, retail and biotechnology – including all the major US technology companies.

### NYSE FANG Plus:-

The NYSE FANG+ Index is an equal-dollar weighted Index designed to represent a segment of the technology and consumer discretionary sectors consisting of 10 highly-traded growth stocks of technology and tech-enabled companies.

NYSE FANG+ Index constitutes of 10 stocks – Alibaba, Facebook, Alphabet, Apple, Baidu, Nvidia, Amazon, Netflix, Microsoft, Tesla

**Hang Seng:-** The “Hang Seng” is an index in Hong Kong. It is used to record and monitor daily changes of the largest companies of the Hong Kong stock market.

### S&P 500 TOP 50:-

The S&P 500 Top 50 consists of 50 largest companies from S&P 500 index.



# Debt ETFs



# Debt ETFs

Debt ETFs	Expense Ratio %	AUM (Cr₹)	YTM % (Apr-24)	Average Traded volume (May-23 to Apr-24 & Rs. Lakhs)	Performance as on 2 May 2024		
					1Yr	2Yr	3Yr
G-Sec ETF							
Nippon India ETF Nifty 5 yr Benchmark G-Sec	0.09	146	7.32	209	6.5	6.2	4.8
Nippon India ETF Nifty 8-13 yr G-Sec Long Term Gilt	0.1	1714	7.33	231	6.7	7.0	4.3
ICICI Prudential Nifty 10 yr Benchmark G-Sec ETF	0.14	552	7.28	195	6.5	--	--
Bharat Bond ETF							
BHARAT Bond ETF - April 2030	0.0005	18,691	7.56	142	6.7	6.8	5.9
BHARAT Bond ETF - April 2025	0.0005	11,975	7.67	120	7.1	5.8	5.2
BHARAT Bond ETF - April 2031	0.0005	13,425	7.51	100	6.9	6.8	5.7
Liquid ETF							
Nippon India ETF Nifty 1D Rate Liquid BeES	0.69	11,231	6.60	29,475	5.9	5.5	4.4
ICICI Prudential S&P BSE Liquid Rate ETF	0.25	3,260	6.62	6,059	6.5	5.4	4.6

**G-Sec ETF:-** The scheme would invest in government securities and endeavour to track the benchmark index.

**Bharat Bond ETF:-** An investment option to invest in the bonds of public sector companies.

**Liquid ETF:-** They invest in low-risk fixed income securities and the portfolio maturity ranges from 1 day to 90 days.



# ETF Basket

## ETF Basket

ETF Name	Symbol	Category	AUM (Cr₹)	NAV As on 2 May 2024
Nippon India ETF Nifty 50 BeES	NIFTYBEES	Large Cap	24,793	250.6
CPSE ETF	CPSEETF	Thematic	39,197	88
ICICI Prudential Bharat 22 ETF	ICICIB22	Thematic	17,948	108.1
Nippon India Nifty Pharma ETF	PHARMABEES	Sectoral	639	19.4
Kotak Nifty Alpha 50 ETF	KOTAKALPHA	Strategy	122	49.2

# ETF Basket

## Kotak Nifty Alpha 50 ETF

The scheme tracks the “Nifty Alpha 50” index and the “Nifty Alpha 50” index tracks the performance of 50 stocks with high Alphas in last one year. Weights of securities in the index are assigned based on the alpha values. Security with highest alpha in the index is assigned the highest weight.

It is a well-diversified 50 stock index and the weight of securities in the index are assigned based on the alpha values. The alpha of the eligible securities is calculated using trailing 1 year prices (Adjusted for corporate actions). They are ranked in descending order and final selection of 50 companies shall be done based on scripts Alpha values.

ETF Name	Expense Ratio %	AUM (Cr)	Average Traded volume (May-23 to Apr-24 & Rs. Lakhs)	Performance as on May 2, 2024		
				1Yr	2Yr	3Yr
Kotak Nifty Alpha 50 ETF	0.3	122	118	82.1	22.8	--
<b>Index</b>						
Nifty Alpha 50 TRI	-	-	-	84.7	24.5	28.6

## Outlook

The stocks in the index selected from top 300 companies by average market capitalization and average daily turnover for the last six months. The top 50 stocks selected based on the Alpha values of the stocks. The current growth scenarios and positive momentum could be positive for this index strategy.

## Nippon India ETF Nifty 50 BeES

The “Nippon India ETF Nifty 50 BeES” track the “Nifty 50” index and it is well diversified 50 stock index reflecting overall market conditions. The Nifty 50 Index represents about 59% of the free float market capitalization of the stocks listed on NSE as on September 29, 2023.

The Nifty 50 index is computed using Free Float Market Capitalisation weighted method, wherein the level of index reflects the free float market capitalisation of all stocks in Index. For a stock to qualify for index inclusion, have average impact cost of 0.5% or less during the last six months for 90% of the observations, have a listing history of 6 months and companies that are allowed to trade in F&O segment are only eligible. The index rebalancing is done on semi-annually.

ETF Name	Expense Ratio %	AUM (Cr)	Average Traded volume (May-23 to Apr-24 & Rs. Lakhs)	Performance as on May 2, 2024		
				1Yr	2Yr	3Yr
Nippon India ETF Nifty 50 BeES	0.04	24793	6573	26.1	16.4	16.9
<b>Index</b>						
Nifty 50 TRI	-	-	-	26.1	16.5	17.0

## Outlook

The “Nifty 50” is a well diversified 50 stocks large cap index reflects the market conditions. The large cap allocation of the portfolio can be done by investing in this index.

# ETF Basket

## CPSE ETF

The Nippon India mutual fund manage the “CPSE ETF” and it tracks the performance of “Nifty CPSE” index. The “Nifty CPSE” Index is constructed in order to facilitate Government of India’s initiative to disinvest some of its stake in Central Public Sector Enterprises (CPSE) through ETF route.

The index comprises of select 10 CPSEs and It is one of the largest Indian equity ETF tracks the Nifty CPSE index. The index rebalancing is done on “quarterly weight rebalancing” basis. The sectoral allocation of index is at 45.57% to Power, 38.96% to Oil, Gas & Consumable Fuels, 13.8% to Capital Goods and 1.67% to Construction.

ETF Name	Expense Ratio %	AUM (Cr\$)	Average Traded volume (May-23 to Apr-24 & Rs. Lakhs)	Performance as on May 2, 2024		
				1Yr	2Yr	3Yr
CPSE ETF	0.05	39197	1591	107.9	57.1	56.0
<b>Index</b>						
Nifty CPSE TRI	-	-	-	108.6	57.7	56.7

## Outlook

The “Nifty CPSE” index have more than 80% allocation Power and Oil & Gas sectors and current economic growth scenario could be positive for these sectors.

## ICICI Prudential Bharat 22 ETF

The “ICICI Prudential Bharat 22 ETF” tracks the “S&P BSE Bharat 22” index and the index is designed to measure the performance of 22 select companies disinvested by central government of India.

The S&P BSE Bharat 22 index comprises select companies from the universe of the Central Public Sector Enterprises (CPSE), Companies with stakes held under the Specified Undertaking of the Unit Trust of India (SUUTI), listed PSU banks and disinvested by the government of India. The maximum weight of BSE sectors and individual stocks is capped at 20% and 15% respectively. The index is rebalanced annually in March. The stocks & sector weight caps are applied during the annual rebalancing.

ETF Name	Expense Ratio %	AUM (Cr\$)	Average Traded volume (May-23 to Apr-24 & Rs. Lakhs)	Performance as on May 2, 2024		
				1Yr	2Yr	3Yr
ICICI Prudential Bharat 22 ETF	0.07	17948	659	71.4	48.0	44.6

## Outlook

The “S&P BSE Bharat 22” index comprises of stocks from the universe of CPSE, SUUTI and PSU Banks. The current momentum could be positive for these stocks and the opportunity can be use by investing through this ETF.

## Nippon India Nifty Pharma ETF

The “Nippon India Nifty Pharma ETF” is sectoral index track the “Nifty Pharma” index. The “Nifty Pharma” Index is designed to reflect the behavior and performance of the pharmaceutical sector in India.

The Index comprises of 20 companies listed on National Stock Exchange of India (NSE). The “Nifty Pharma” Index is computed using free float market capitalization method, wherein the level of the index reflects the total free float market value of all the stocks in the index relative to particular base market capitalization value. The index rebalancing is done on semi annually and no single stock shall be more than 33% and weightage of top 3 stocks cumulatively shall not be more than 62% at the time of rebalancing.

ETF Name	Expense Ratio %	AUM (Cr\$)	Average Traded volume (May-23 to Apr-24 & Rs. Lakhs)	Performance as on May 2, 2024		
				1Yr	2Yr	3Yr
Nippon India Nifty Pharma ETF	0.21	639	488	52.5	19.9	--
<b>Index</b>						
Nifty Pharma TRI	-	-	-	52.9	20.1	13.2

### Outlook

The “Nifty Pharma” index is designed to reflect the pharmaceutical sector in India. The Sharekhan Fundamental Research team has turned bullish on the pharmaceutical sector and considering the potential re-rating of the sector, the pharma sector allocation in the portfolio can be done by investing in this ETF.



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