

Portfolio driven by the 'Market Trend'



UTI
Nifty200 MOMENTUM 30
(An open-ended scheme replicating/tracking Nifty200 Momentum 30 Index) **Index Fund**



New Fund Offer opens on: **February 18, 2021** New Fund Offer Closes on: **March 4, 2021** Scheme Reopens on: **March 12, 2021**

What is Momentum Investing?



In general, a trend is the broad upward or downward movements of stock prices. Upward movements are called as uptrends, while those which move lower are said to be downtrends.



Momentum investing broadly refers to capturing the 'trend in movements of stock prices' and going along with general opinion of the market with an underlying belief that prices are true reflection of investors' reaction to the publicly available knowledge.



At its core, momentum-based portfolio is constructed believing that, investments that have performed relatively well, continue to perform relatively well and those that have performed relatively poorly, continue to perform relatively poorly.



Momentum is the tendency of investments to exhibit persistence in their relative performance. It is about riding an established trend.

Empirical research & global precedence

Empirical research

“momentum is a useful indicator of future performance, that is not subsumed by market risk, size or value”

Grinblatt and Titman (1989)
Jegadeesh and Titman (1993)
Chan, Jegadeesh and Lakonishok (1996)[§]

“The momentum factor's ability to generate excess returns in equity markets has earned it the title – The premier anomaly”

Fama/French (2008)[#]

“adding volatility and other risk metrics to momentum strategies is effective”

Bornholt and Malin (2011)[§]

“trend following has delivered strong positive returns and realized a low correlation to traditional asset classes for more than a century”

Brian Hurst, Yao Hua Ooi,
Lasse H. Pedersen (2014)[@]

Global precedence[^]

Fund Name	Benchmark Index	AUM ¹
iShare MSCI USA Momentum Factor ETF (MTUM)	MSCI USA Momentum	\$14.39 Bn
Invesco DWA Momentum ETF (PDP)	Dorsey Wright Technical Leaders	\$1.91 Bn
Invesco S&P Midcap Momentum ETF (XMMO)	S&P Midcap 400 Momentum	\$0.91 Bn

Source : [§] - Research paper by FTSE Russell titled 'Factor exposure indexes, Momentum factor'. [@] - https://www.trendfollowing.com/whitepaper/Century_Evidence_Trend_Following.pdf [#] - Research paper by Fama and French titled - Dissecting Anomalies (2008) & as mentioned in White paper published by NSE Indices Limited on September 16, 2020. [^] : Some of the funds based on Momentum strategy. List is only indicative. ¹ Source : Bloomberg. As on Jan 29, 2021. Bn = Billion

About 'Nifty200 Momentum 30' Index® (The Index)

'Nifty200 Momentum 30 Index' aims to track the performance of the top 30 companies with high momentum within the Nifty200 Index. Stocks are selected based on their normalized momentum score which is determined based on its 6-month and 12-month price return, adjusted for its daily price volatility. Stock weights are based on a combination of the stock's normalized momentum score and its free-float market capitalization.[#]



Universe

Components of
Nifty200
Index



Filter

Only derivative
eligible stocks are
eligible for the
selection



Selection

Top 30 stocks based
on momentum scores[!]



Rebalancing

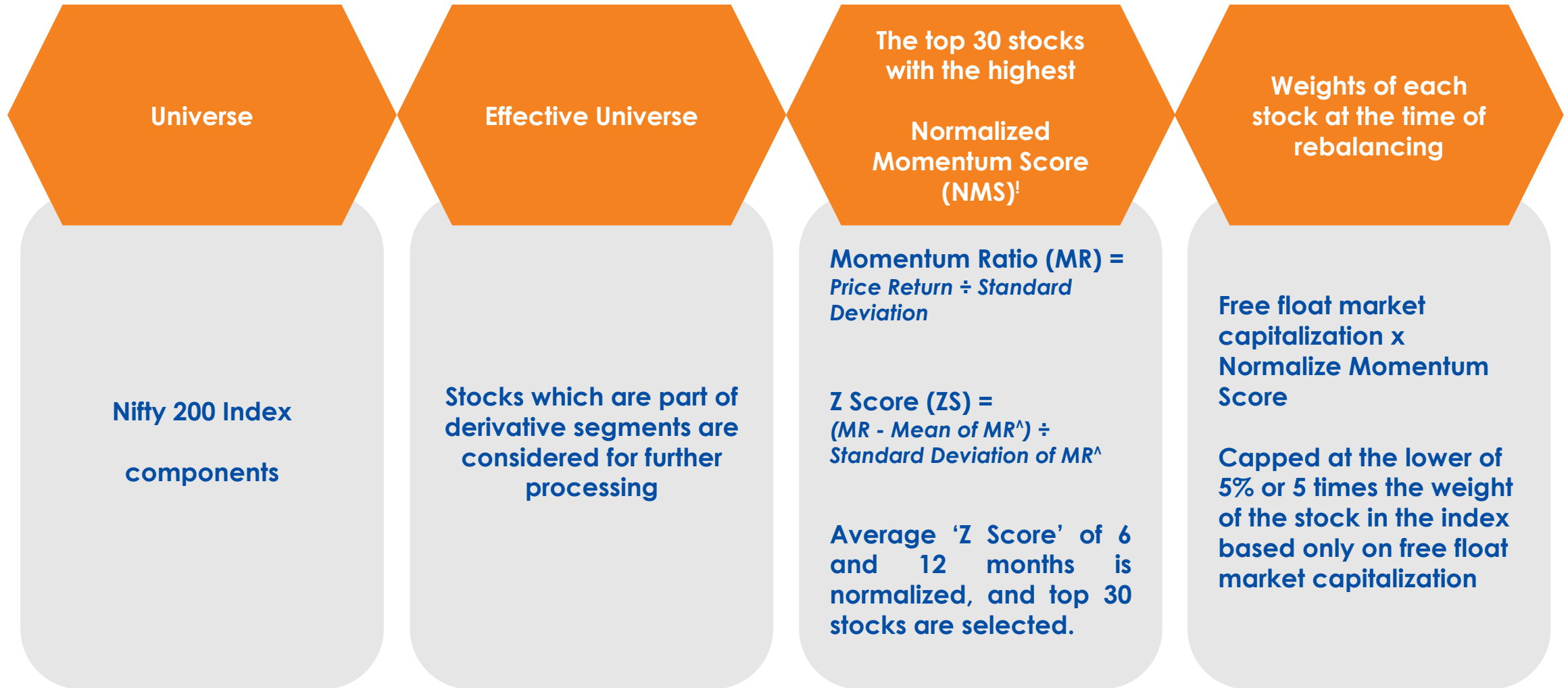
Semi-annual



Weights

Based on factor
tilt methodology i.e. it
is derived by
multiplying the free
float market-cap with
the normalized
momentum score of
that stock

About 'Nifty200 Momentum 30' Index® (The Index)



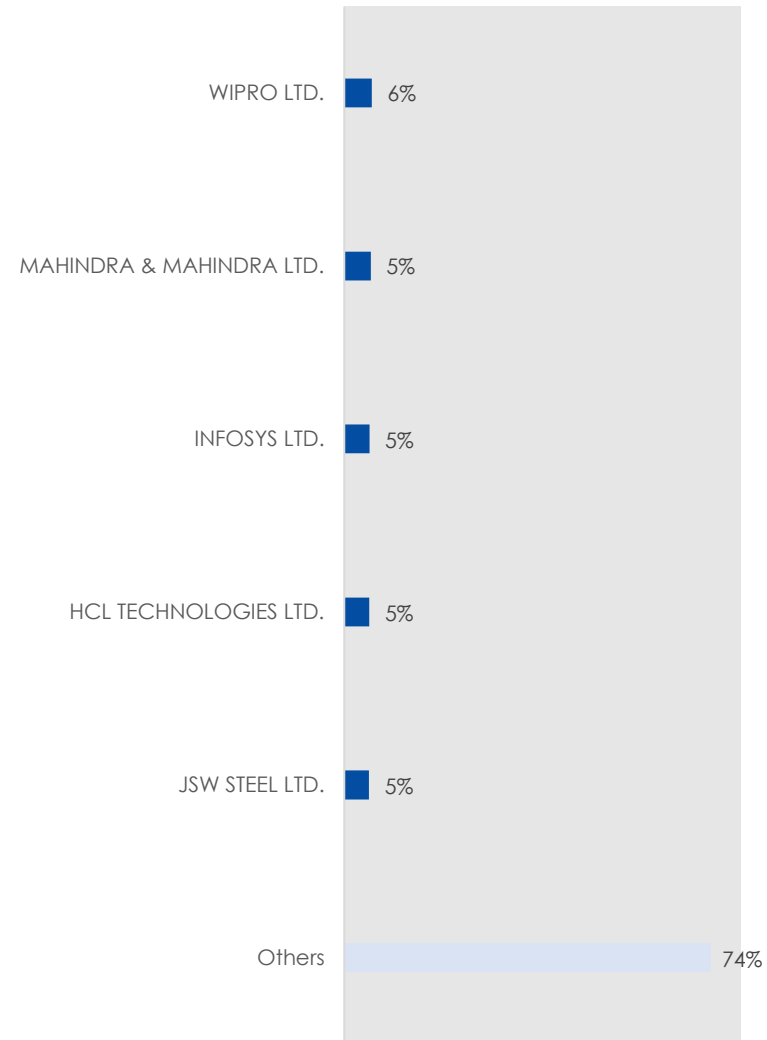
About 'Nifty200 Momentum 30' Index® (The Index)

- Sample calculation based on June 26, 2020 rebalance

Company Name	Sector	Returns		Std. Deviation of daily returns for 12 months	Momentum Ratio		Z Score			Normalised momentum score	Rank	Selection
		6m	12m		6m	12m	6m	12m	Weighted Avg. Z Score			
A	Pharma	36%	39%	39.9%	0.89	0.98	2.4	1.8	2.1	3.1	5	Yes
B	Pharma	66%	11%	65.7%	1.00	0.17	2.6	0.6	1.6	2.6	11	Yes
C	Auto	16%	39%	46.3%	0.36	0.83	1.4	1.6	1.5	2.5	14	Yes
D	Oil & Gas	-31%	-40%	49.2%	-0.63	-0.81	-0.6	-0.8	-0.7	0.6	96	No
E	Financials	-63%	-71%	49.6%	-1.27	-1.43	-1.8	-1.6	-1.7	0.4	131	No

Top 5 Stocks\$

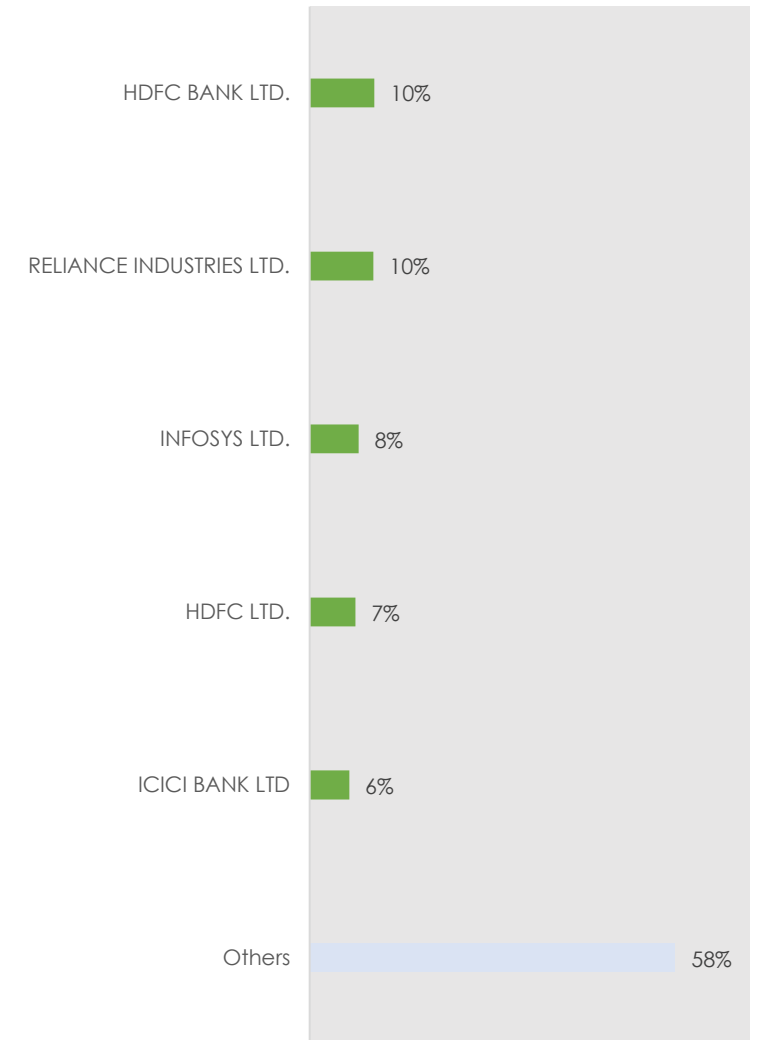
Nifty200 Momentum 30 Index



Nifty200 Index



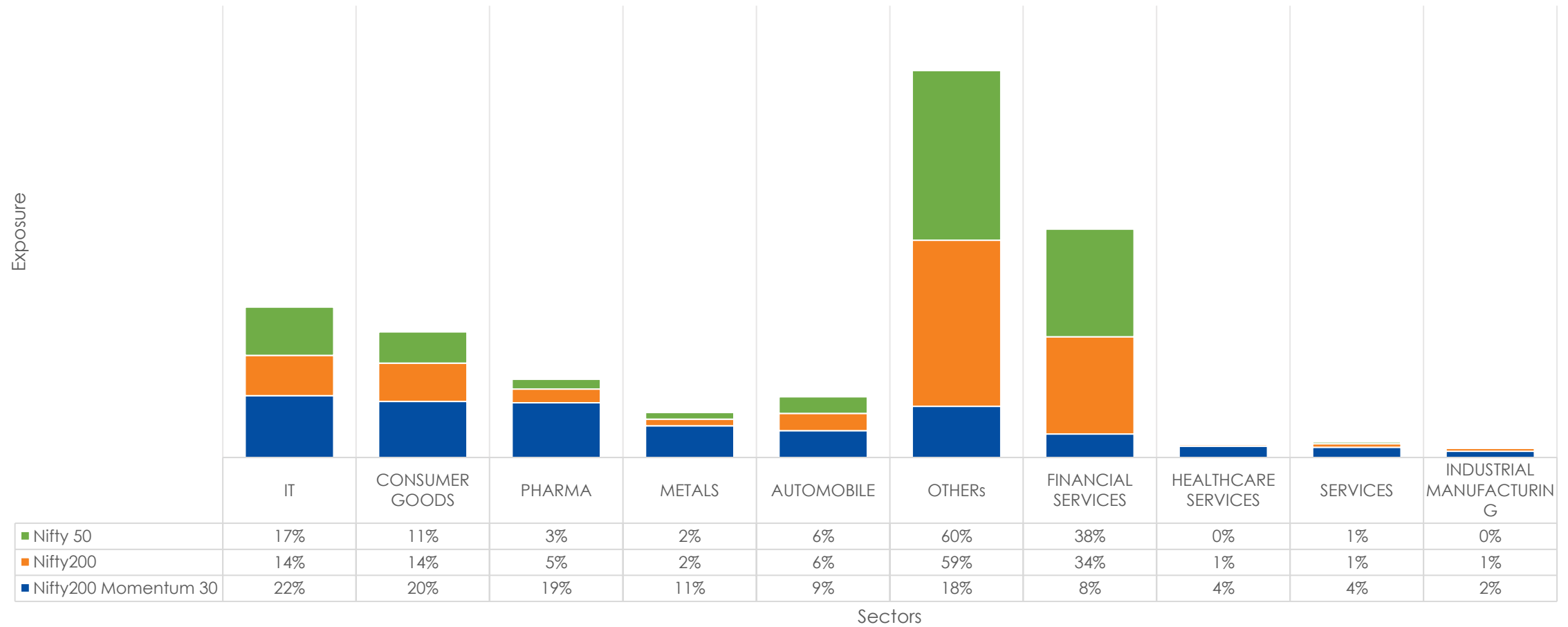
Nifty 50 Index



Data as on Jan 29, 2021 \$ - As per the weights in respective index. The stocks referred in this literature are not an endorsement by the Mutual Fund and AMC of their soundness or a recommendation to buy or sell at any point of time. The stocks are only for reference purpose.

Major Sector Exposure\$

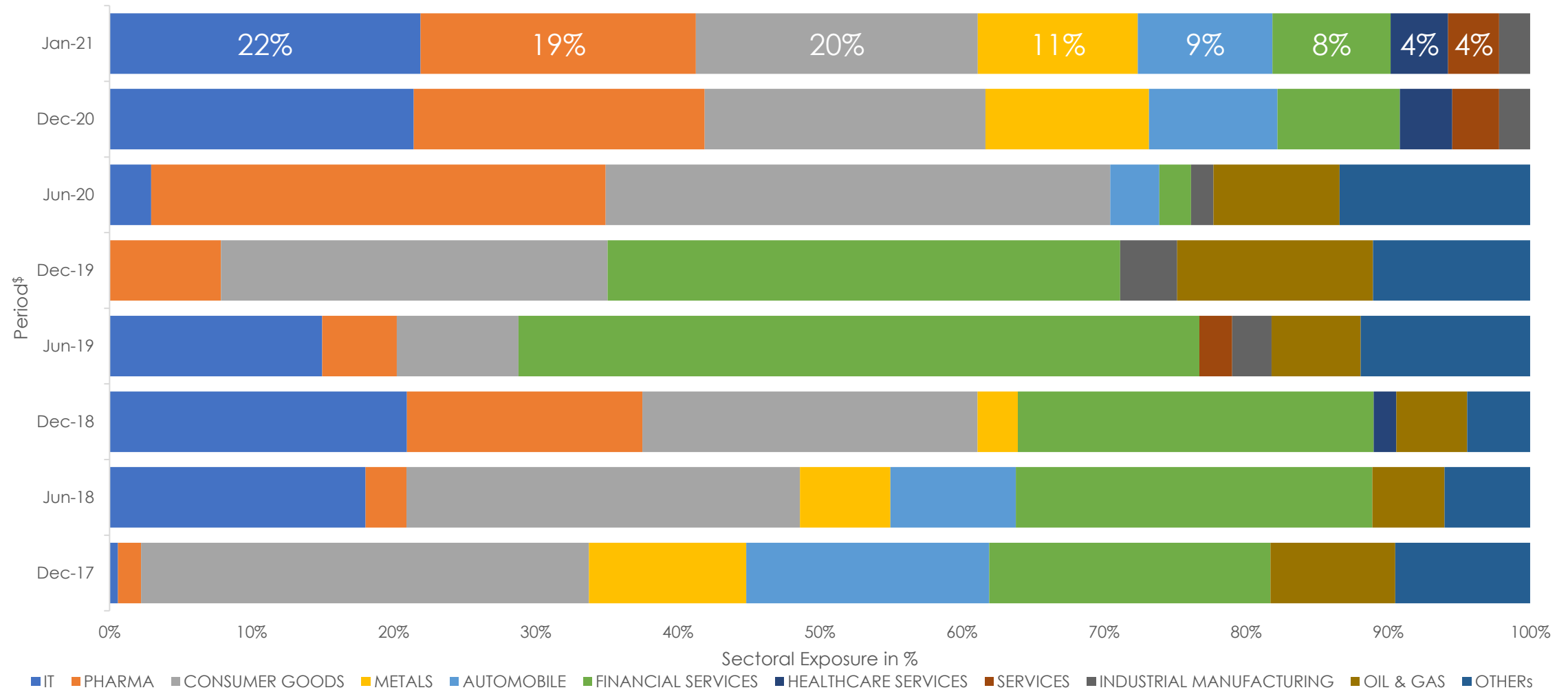
- Currently, the index is overweight on IT, Consumer Goods & Pharma sectors, whereas underweight on Financial Services.
- This shows portfolio drift towards sectors which have shown strong momentum.



Data as on Jan 29, 2021 \$ - As per the weights in respective index. The sectors referred in this literature are not an endorsement by the Mutual Fund and AMC of their soundness or a recommendation to buy or sell at any point of time. The sectors are only for reference purpose.

Nifty200 Momentum 30 Index – Broad Sector# Exposure Movement

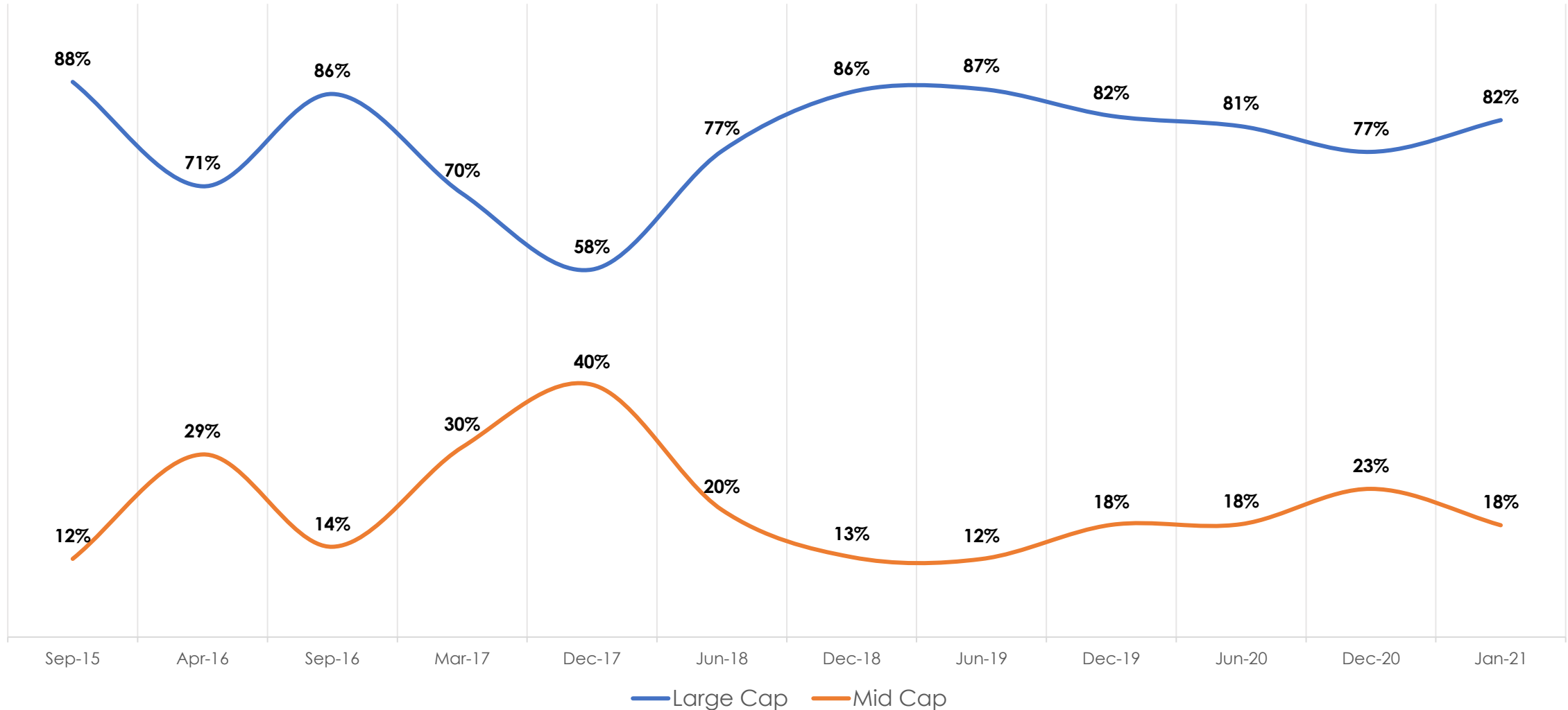
- Aggressive sector rotation has worked well for the index.



Data as on Jan 29, 2021. Source : NSE, BSE, Bloomberg. \$ Sectoral exposure as on rebalancing date except for latest month. # The sectors referred in this literature are not an endorsement by the Mutual Fund and AMC of their soundness or a recommendation to buy or sell at any point of time. The sectors are only for reference purpose. Period is selected based on historic rebalancing date.

Nifty200 Momentum 30 Index – Market Cap Exposure Movement

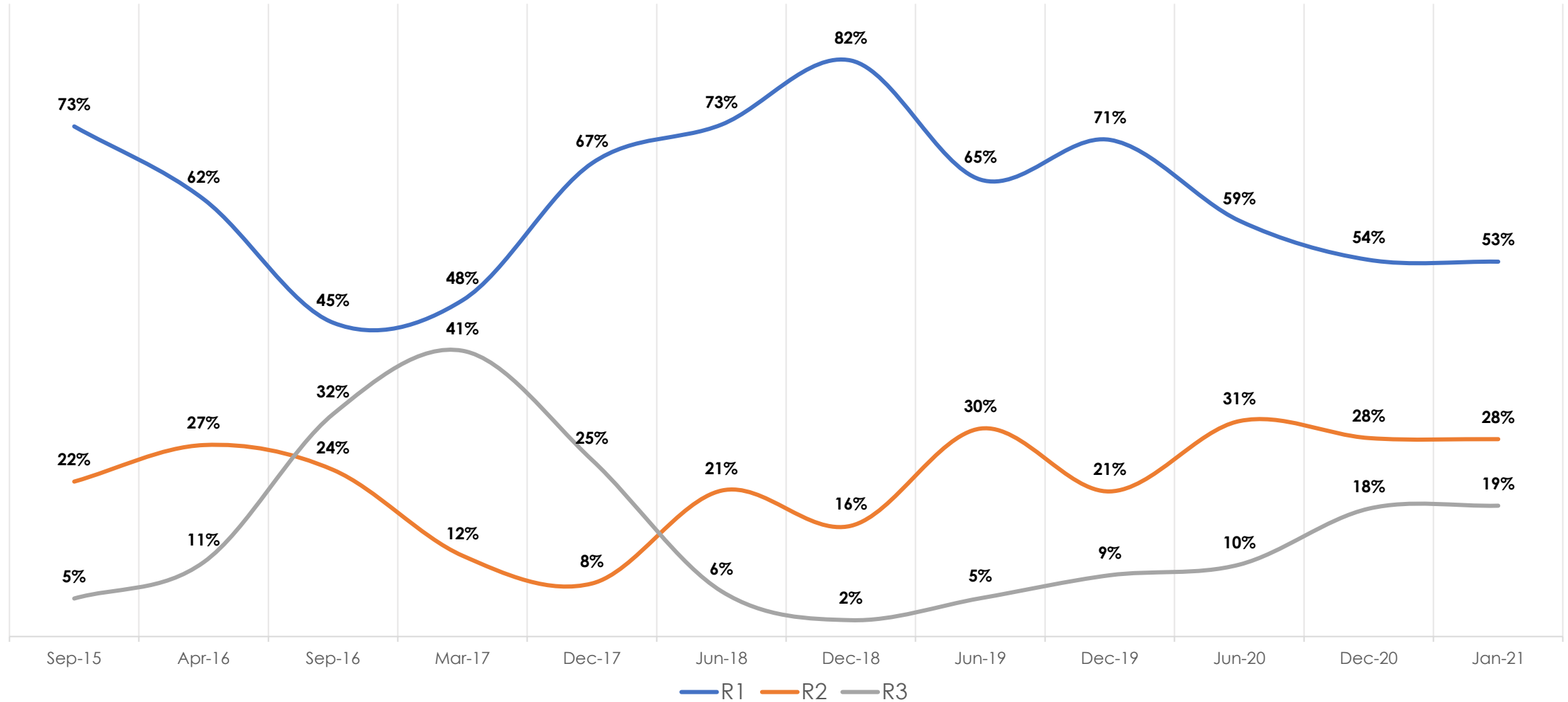
- Index have been able to capture size premium depending on relative momentum in large & midcap companies



Data as on Jan 29, 2021. From December 2018 onwards, Market Cap Exposure based on Categorization of Large Cap, Mid Cap and Small Cap Stocks published by AMFI from time to time. Before December 2018, as AMFI categorization is not available, market cap exposure is calculated internally considering the broader methodology used by AMFI. Period is selected based on historic rebalancing dates.

Nifty200 Momentum 30 Index – Constituents' Movement based on ROCE[@]

- Historically, growth and Value mix has been dynamically changed depending upon market trend



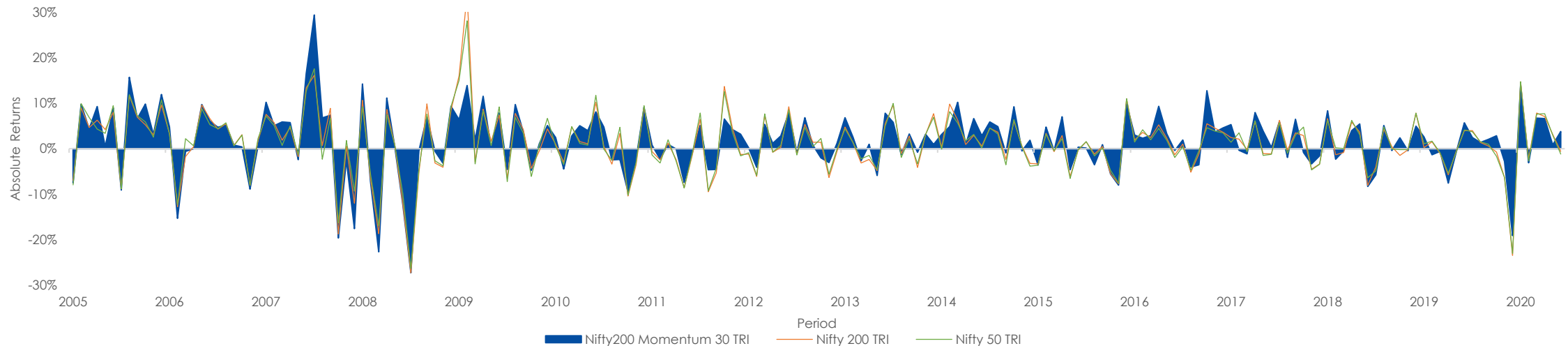
Previous 5 Year ROCE : R1 – Above 18%, R2 – Between 10% & 18%, R3 – Below 10%

Data as on Jan 29, 2021. @ ROCE – Return on Capital Employed. Period is selected based on historic rebalancing date.

Nifty200 Momentum 30 Index Comparison – Monthly Return Distribution

Parameters	Nifty200 Momentum 30 TRI	Nifty 200 TRI	Nifty 50 TRI
Number of months	190	190	190
Months delivering +ve returns	63%	61%	61%
Average Return - when Nifty200 TRI delivered +ve returns	5.37%	5.26%	--
Average Return - when Nifty 50 TRI delivered +ve returns	5.22%	--	5.15%
Up-capture vs respective index	--	102%	101%
Average Return in months when Nifty200 TRI delivered -ve returns	-3.91%	-4.73%	--
Average Return in months when Nifty 50 TRI delivered -ve returns	-3.69%	--	-4.55%
Down-capture vs respective index	--	83%	81%

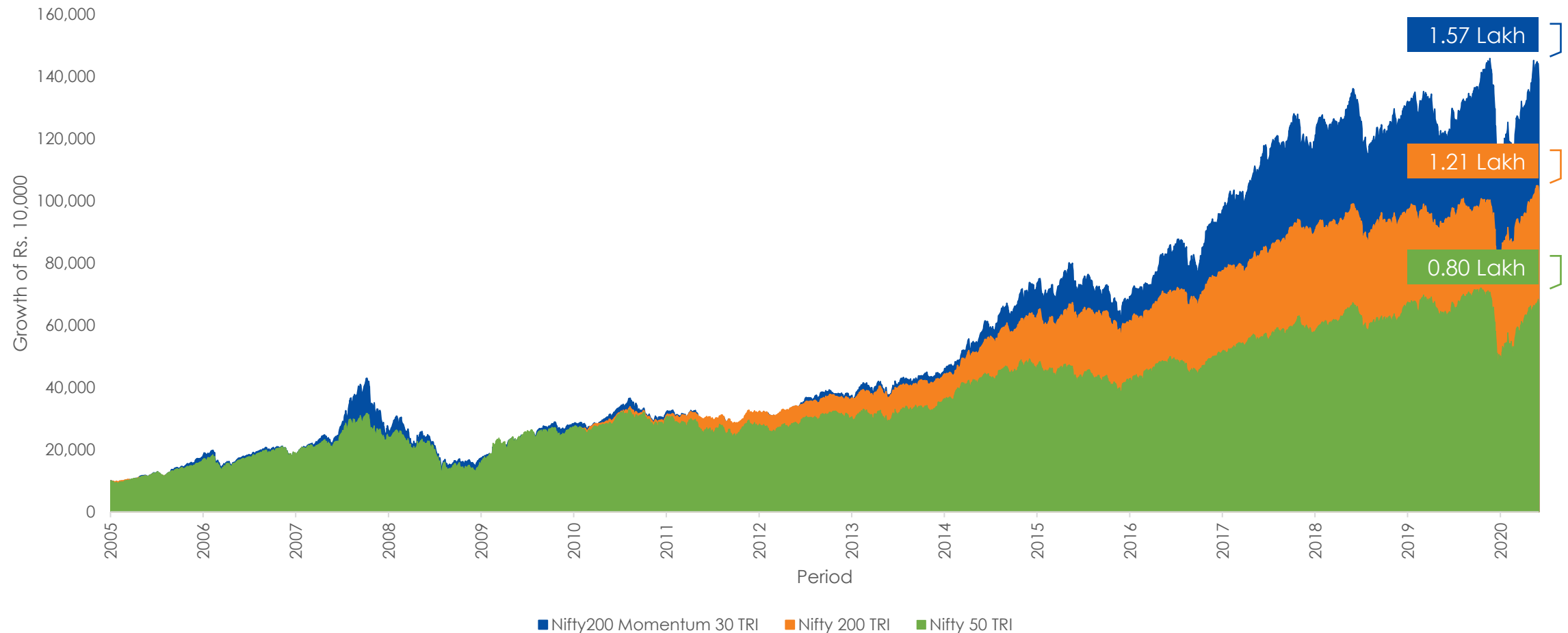
- N200M30 has captured 102% of Nifty200 up moves, whereas it has lost less than Nifty200, 83% during the periods when Nifty200 has declined.
- Similarly, N200M30 has captured 101% of Nifty 50 up moves, whereas it has lost less than Nifty 50, 81% during the periods when Nifty 50 has declined.
- This shows Momentum Investing strategy working well as against these two indices.



Data From April 1, 2005 to Jan 29, 2021. TRI i.e., 'Total Return Index' consider reinvestment of dividends issued by companies forming part of Index. Source: MFI Explorer & Nifty Indices Limited. Up-capture = average return when respective index is +ve / average return of Nifty200 Momentum 30 TRI at that time.

Nifty200 Momentum 30 Index Comparison – Since Inception Growth of Rs. 10,000

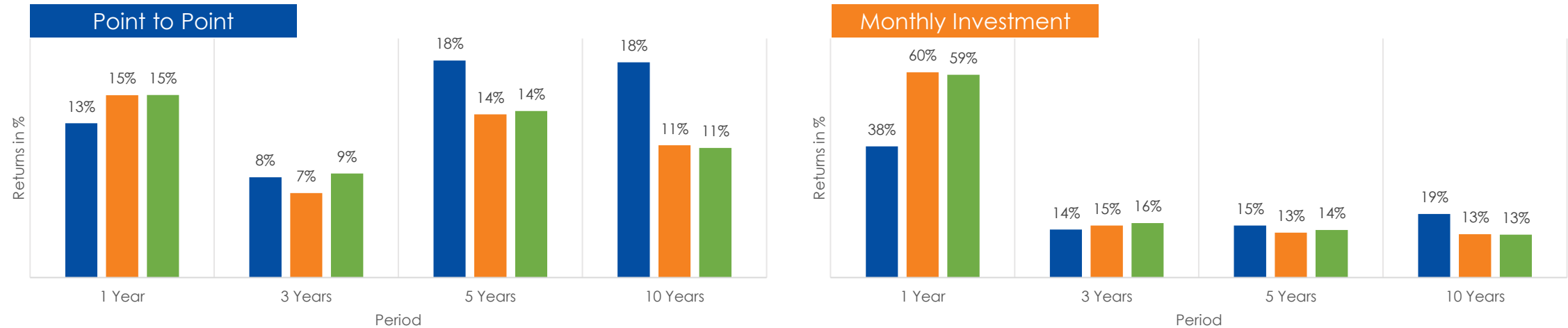
- Since inception i.e., April 1, 2005 the index (including dividends) has grown ~16 times as compared to Nifty 200 growth of 12 times and Nifty 50 growth of 8 times.



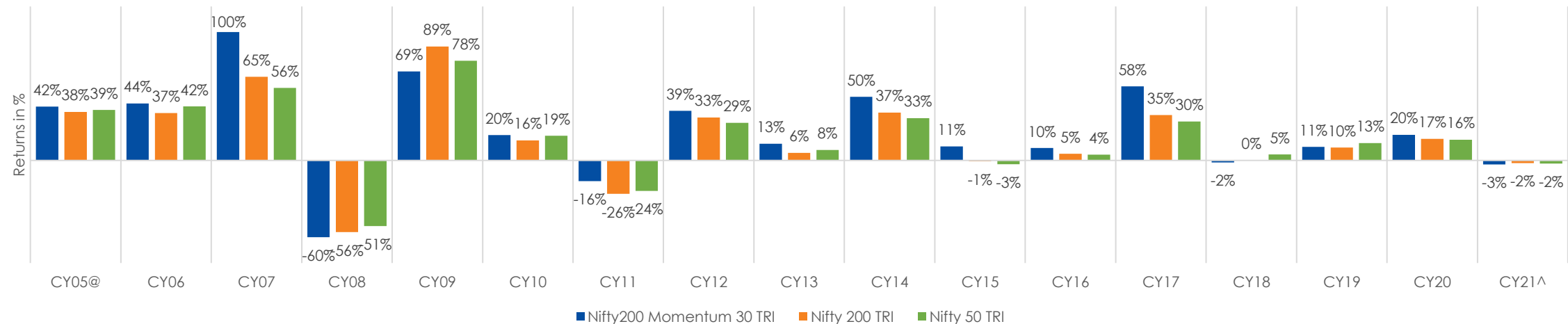
Data as on Jan 29, 2021. Inception i.e. base date of Nifty200 Momentum 30 Index is April 1, 2005. TRI i.e. 'Total Return Index' consider reinvestment of dividends issued by companies forming part of Index. www.niftyindices.com, Data points rebase to 10,000. The Indices referred in this literature are not an endorsement by the Mutual Fund and AMC of their soundness or a recommendation to buy or sell at any point of time. These are only for reference purpose. Graph is to represent overall movement of indices and not specific to particular time period. Past performance does not guarantee future performance of the scheme

Nifty200 Momentum 30 Index Comparison – Returns Comparison

- Comparatively the index has performed well across time periods



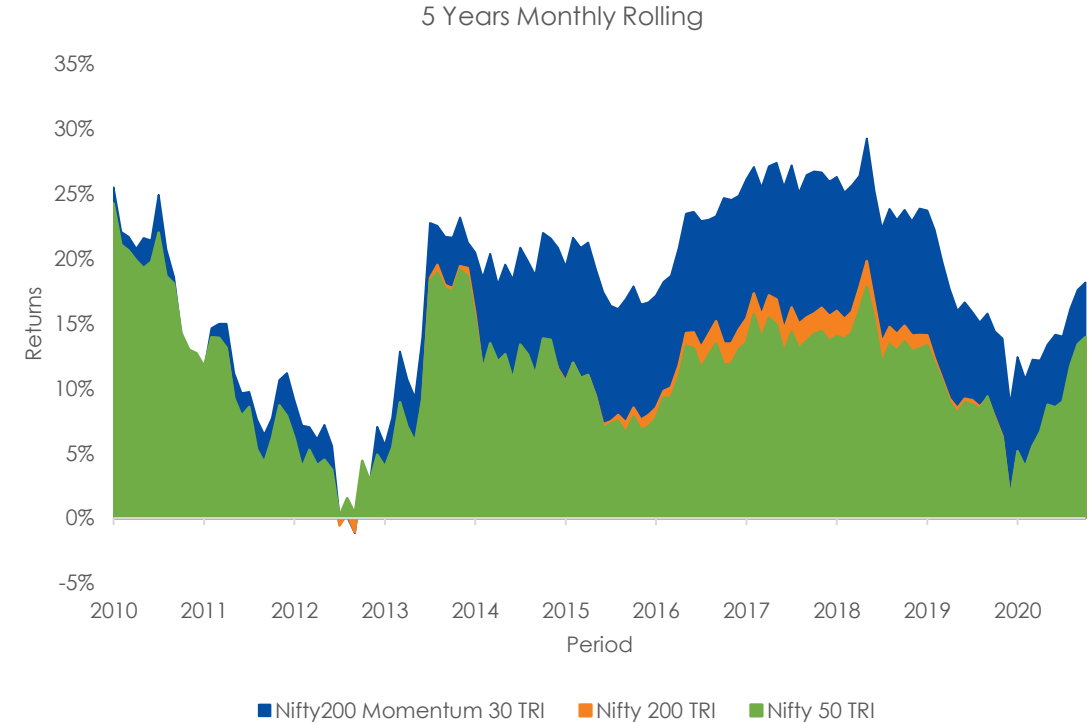
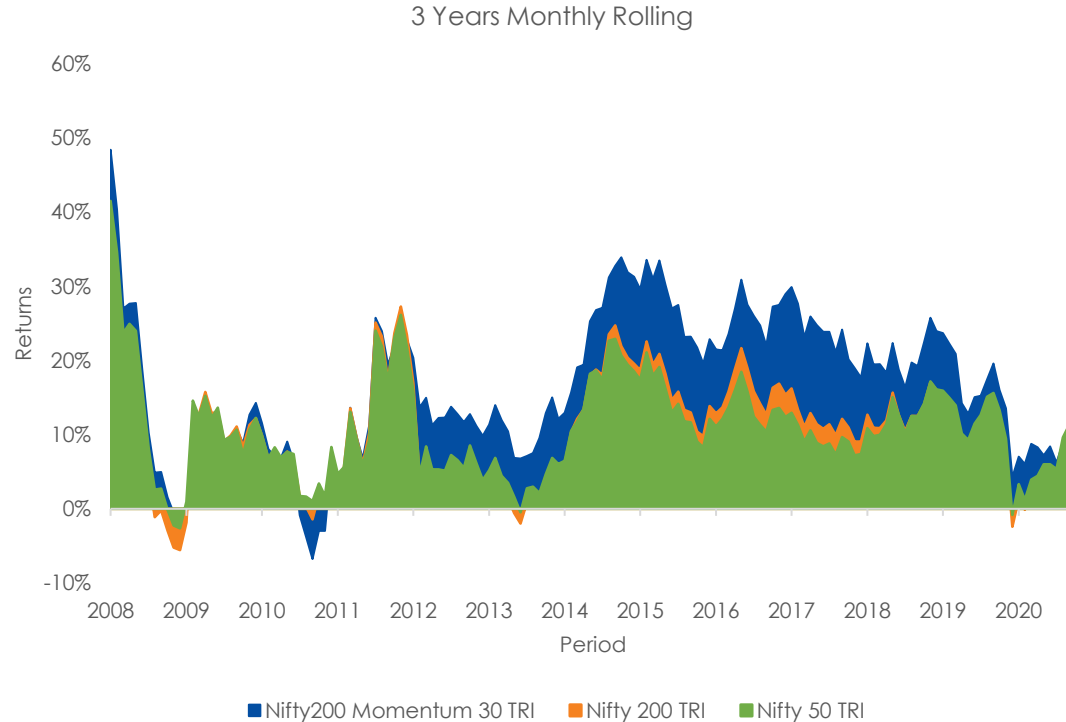
- The index has underperformed Nifty200 Index only 3 out of 16 calendar years



Data as on Jan 29, 2021. TRI i.e. 'Total Return Index' consider reinvestment of dividends issued by companies forming part of Index. Source: MFI Explorer & Nifty Indices Limited. Point to Point and Monthly Investment returns are calculated considering last working day of the month. Returns over one year are of compounded annualized growth rate (CAGR). Monthly return is calculated considering RATE() function in MsExcel. Such monthly return is annualized. Investors cannot invest directly into an index. However, they can expect similar returns using ETF or Index Fund, subject to tracking error and cost. ^ - YTD = Year to date i.e. up to as on date mentioned here and not considered in comment due to very short period @ From April 1, 2005 to December 31, 2005 and considered as one CY in comment as period is 9 months. Past performance does not guarantee future performance of the scheme

Nifty200 Momentum 30 Index Comparison – Point to Point, Rolling Returns

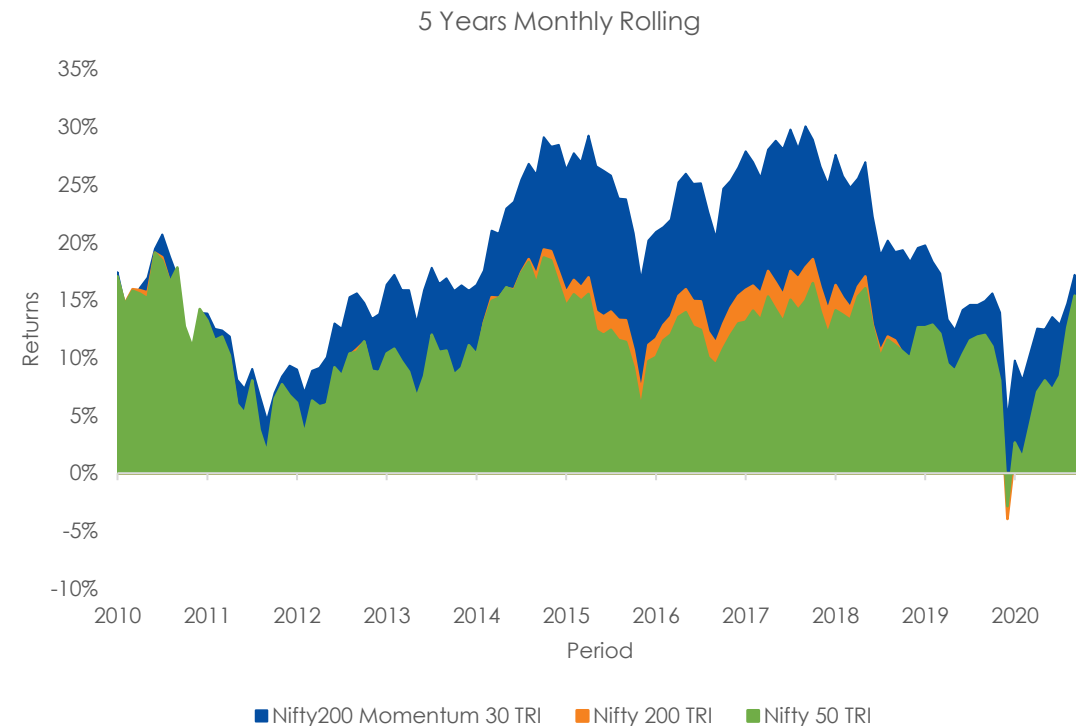
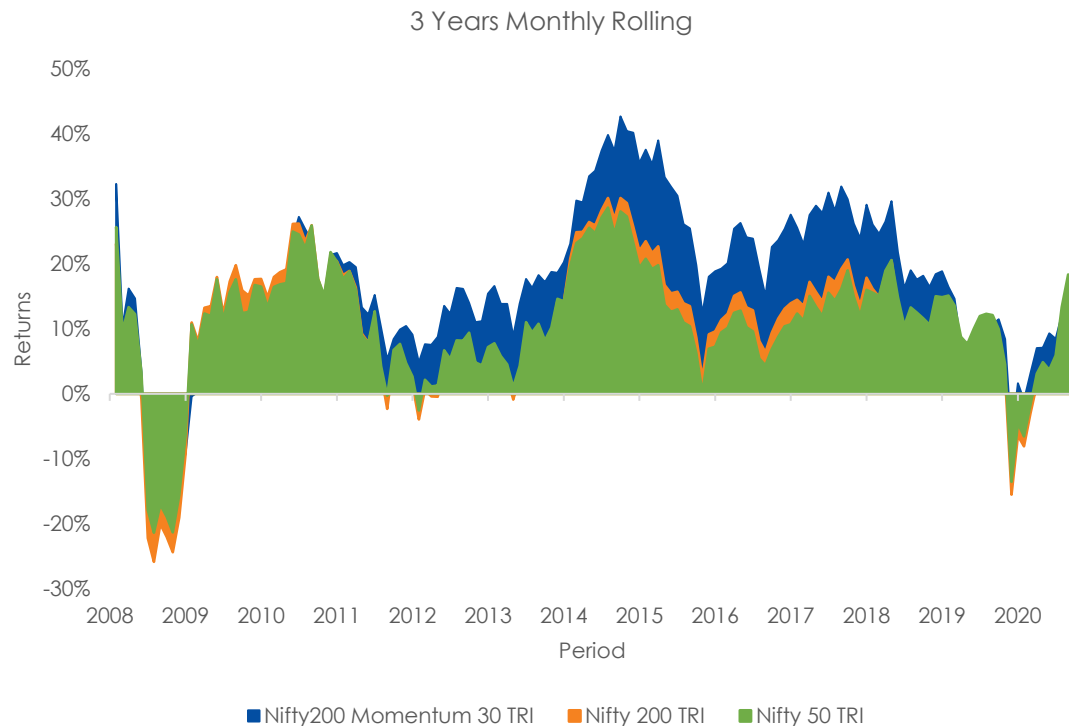
- 86% of the times it has delivered better returns over Nifty 200 and 85% of the time over Nifty 50 index
- Similarly, 98% of the times it has delivered better returns over Nifty 200 and 93% of the time over Nifty 50 index.



Data as on Jan 29, 2021. TRI i.e. 'Total Return Index' consider reinvestment of dividends issued by companies forming part of Index. Returns are calculated considering last working day of the month. In case of 3 years monthly rolling, first data point is calculated from April 29, 2005 to April 30, 2008. In case of 5 years monthly rolling, first data point is calculated from April 29, 2005 to April 30, 2010. Such data points are rolled over up to as on date mentioned here. In case of monthly investment each data point is calculated using MsExcel 'rate function' and then converted in to annualized returns. Direct investment in any of these indices are not possible, but similar returns (subject to tracking error and cost) may be achieved by investing in o a fund which is passively tracking/replicating specific index. . Past performance does not guarantee future performance of the scheme

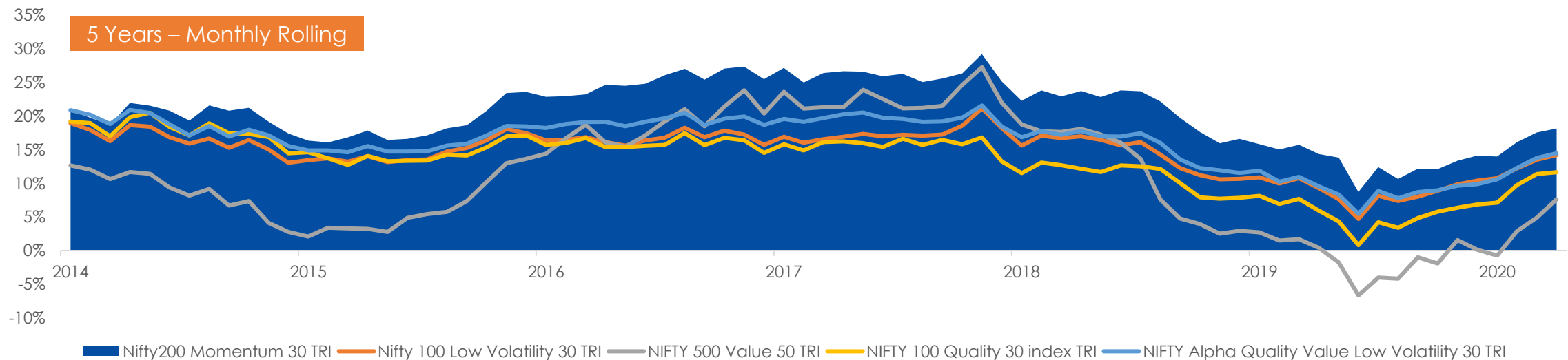
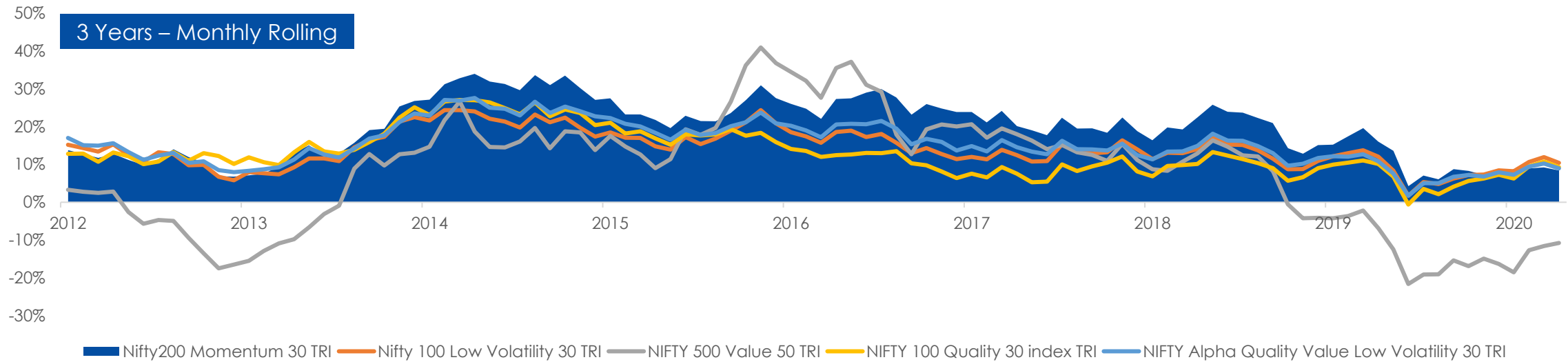
Nifty200 Momentum 30 Index Comparison – Monthly Investment, Rolling Returns

- 85% of the times it has delivered better returns over Nifty 200 and 80% of the time over Nifty 50 index
- Similarly, 98% of the times it has delivered better returns over Nifty 200 and 95% of the time over Nifty 50 index.



Data as on Jan 29, 2021. TRI i.e. 'Total Return Index' consider reinvestment of dividends issued by companies forming part of Index. Returns are calculated considering last working day of the month. In case of 3 years monthly rolling, first data point is calculated from April 29, 2005 to April 30, 2008. In case of 5 years monthly rolling, first data point is calculated from April 29, 2005 to April 30, 2010. Such data points are rolled over up to as on date mentioned here. In case of monthly investment each data point is calculated using MsExcel 'rate function' and then converted in to annualized returns. Direct investment in any of these indices are not possible, but similar returns (subject to tracking error and cost) may be achieved by investing in o a fund which is passively tracking/replicating specific index. . Past performance does not guarantee future performance of the scheme

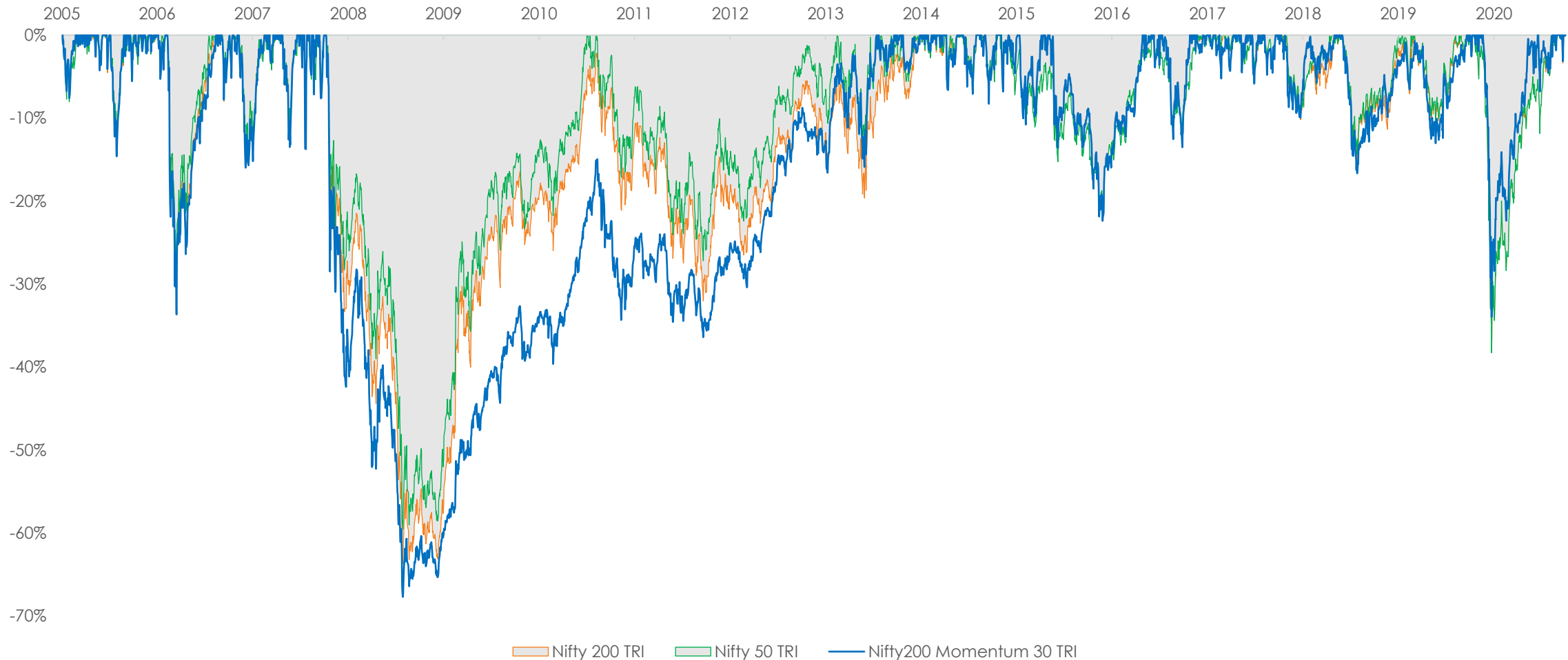
Nifty200 Momentum 30 Index Comparison – Other Factors



Data as on Jan 29, 2021. TRI i.e. 'Total Return Index' consider reinvestment of dividends issued by companies forming part of Index. Returns are calculated considering last working day of the month. In case of 3 years monthly rolling, first data point is calculated from October 30, 2009 to October 31, 2012. In case of 5 years monthly rolling, first data point is calculated from October 30, 2009 to October 31, 2014. Such data points are rolled over up to as on date mentioned here. Direct investment in any of these indices are not possible, but similar returns (subject to tracking error and cost) may be achieved by investing in a fund which is passively tracking/replicating specific index. . Past performance does not guarantee future performance of the scheme

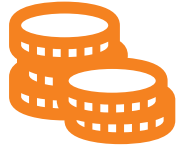
Nifty200 Momentum 30 Index Comparison – Drawdown[^] and risk evaluation

- Momentum is aggressive investment style and is relatively riskier as compared to Nifty 200 and Nifty 50. It may undergo period of relative underperformance when there is sharp change in market cycles like sharp recovery or sharp drop.



Data as on Jan 29, 2021. [^] Drawdown refers to correction in values from the historic peaks. To calculate drawdown, respective current date closing value of an index is subtracted from historic peak of an index and such value is divided by from historic peak of an index. These data points are graphically presented above. Graph is to represent overall movement of indices and not specific to particular period

Why Invest in Nifty200 Momentum 30 Index?



Portfolio that systematically add relatively performing stocks and remove relatively non-performing stocks, based on pre-defined criteria, without individuals' intervention



Addition and removal of component is majorly driven by movements in prices of stocks, which is reflection of market trend



It helps in largely reducing subjective biases by adding winners and removing laggards based on well defined processes.

About UTI Nifty200 Momentum 30 Index Fund



Type of scheme

An Open-ended scheme replicating/tracking Nifty200 Momentum 30 Index



Plans & Options

Regular and Direct plans
Only growth options



Entry and Exit Load*

NIL



Important Dates

NFO Opens on: February 18, 2021
NFO Closes on: March 4, 2021
Scheme Reopens on: March 12, 2021



Minimum Investment Amount

Initial Investment – Rs. 5,000 and in multiple of Rs. 1 there after
Subsequent investment - Rs. 1,000 and in multiple of Rs. 1 there after

* As on Jan 29, 2021.

Why UTI Mutual Fund



AUM of Rs. 39,928 Crs. under ETFs and Index Funds. Also managing various government mandates under this category.



Managing 26% of 'Index Fund' AUM spread across ~2 Lakh folios@\$



Low 'tracking error'^ of other Index Funds showing strength of managing Index Fund.

Lowest Tracking error in Industry !@

UTI Nifty Index Fund: 0.19%

UTI Nifty Next 50 Index Fund: 0.19%



Dedicated fund manager and product managers for maintaining efficiency & competency of product.

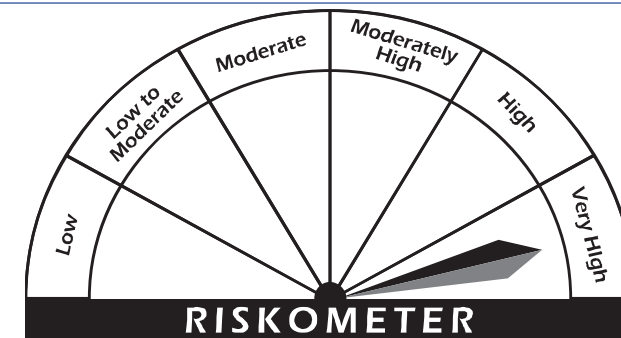
@ - As on Dec 31, 2020. \$ Interpretation based on the industry data published by AMFI. ^ - Tracking Error is one of critical aspect evaluated while selecting Index Funds. ! - Source: MFI Explorer. Data for the period of one year. AUM – Asset Under Management. ETFs – Exchange Traded Funds.

UTI Nifty200 Momentum 30 Index Fund

This product is suitable for investors who are seeking*:

- Capital growth in tune with the index returns
- Passive investment in equity instruments comprised in Nifty200 Momentum 30 Index.

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



Investors understand that their principal will be at Very High Risk.

REGISTERED OFFICE: UTI Tower, 'GN' Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400051. Phone: 022 – 66786666. UTI Asset Management Company Ltd (Investment Manager for UTI Mutual Fund) Email: invest@uti.co.in . (CIN-U65991MH2002PLC137867). For more information, please contact the nearest UTI Financial Centre or your AMFI/NISM Mutual Fund Distributor (MFD) for a copy of the Statement of Additional Information, Scheme Information Document and Key Information Memorandum cum Application Form.

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