

# Kotak Consumption Fund

Aim to grow with the nation's  
growing lifestyle



NFO from 25<sup>th</sup> Oct 2023 to 8<sup>th</sup> Nov 2023

# Consume With Growth Potential Side By Side

Consumption when Shopping

Consumption when Investing



Wallet

Cart

Cart

Wallet

# Trinity - Driving Consumption In Indian Economy



## Structural



Increase in Per  
Capita Income



Increasing Working  
Age Population



Organized Market  
Share Rising



## Cultural



Nuclearization  
/Aspirational  
Families



Urbanization



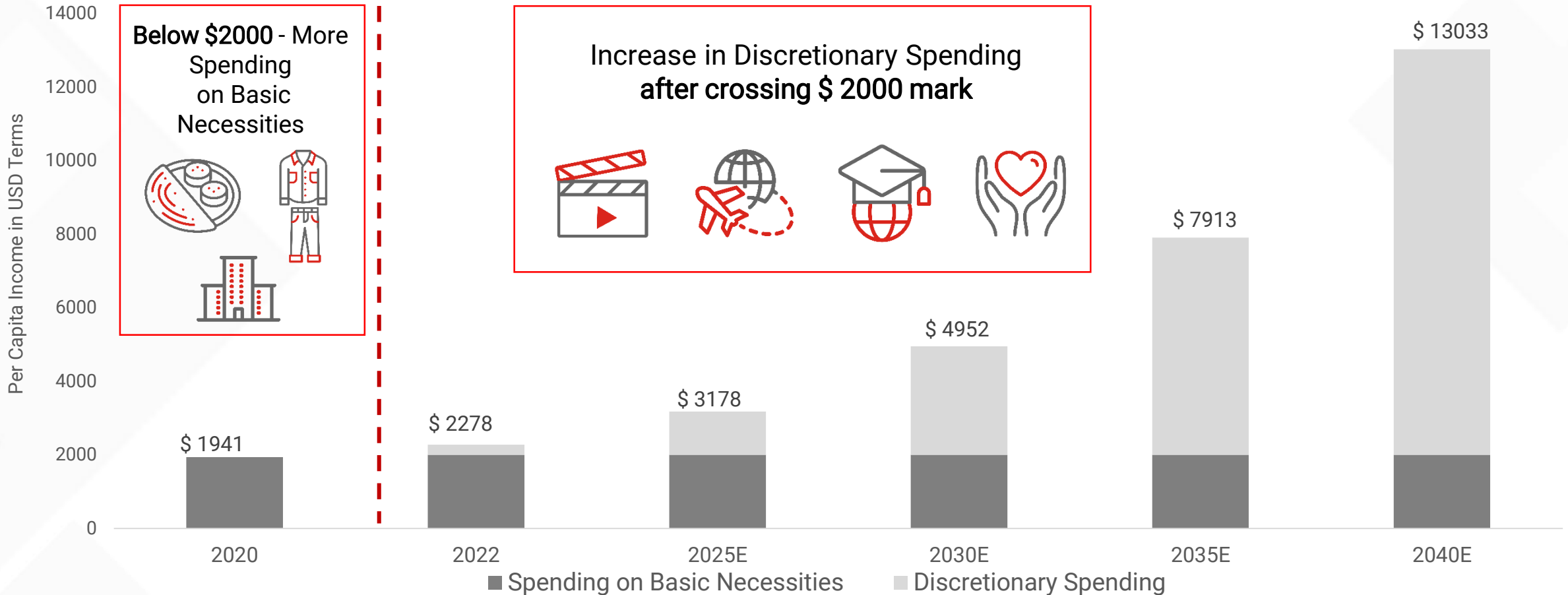
## Digital



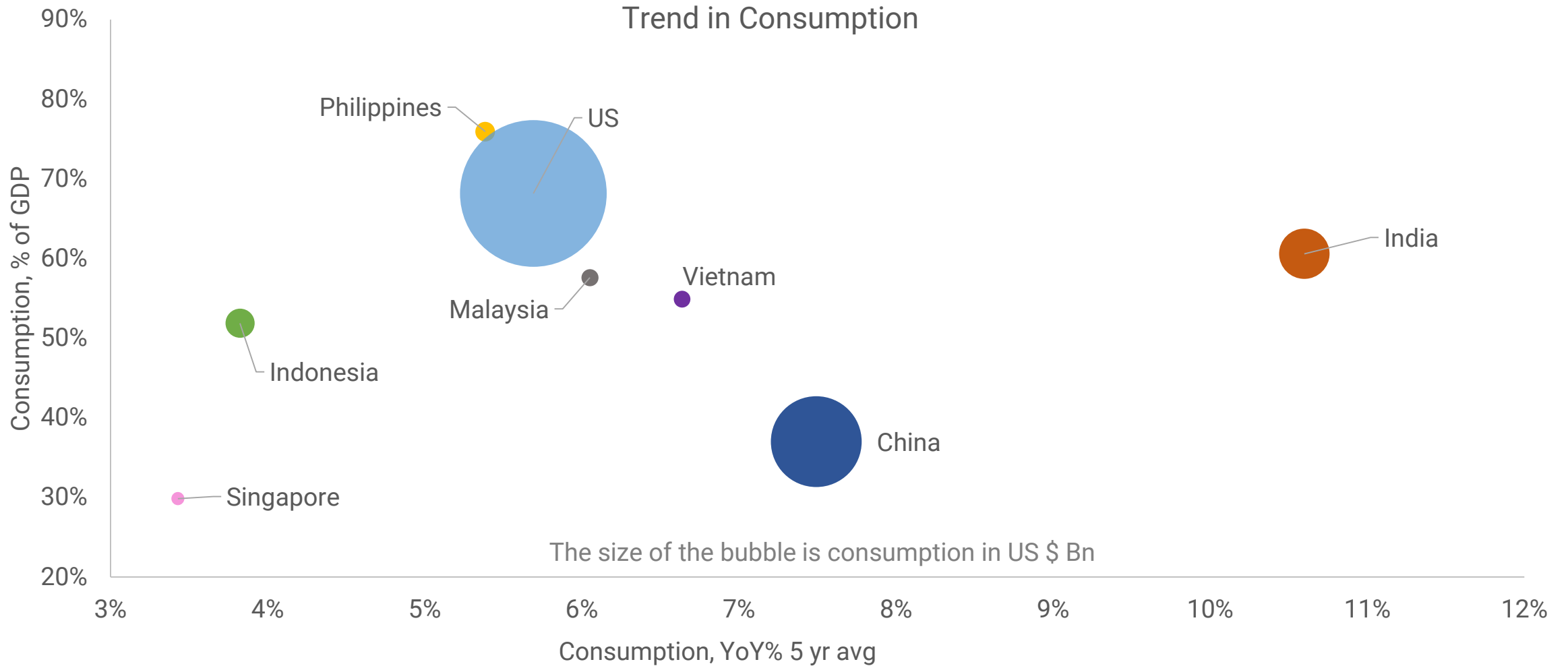
Increasing Online  
Shopping

# Rising Income To Support Consumption

“At a \$ 2,000 per capita income level, basic needs are met and above \$ 2,000 discretionary spends rise”\*



# Fastest Growing Consumer Market



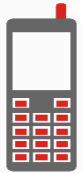
# Rising Income Leads To Premiumization



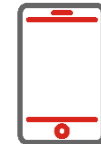
From Train Travel to Air Travel



From Analog to Smart Watch



From Feature Phones to Smart Phones



From CFL to LEDs



From Detergent Powder to Liquid Detergents



# Highest Working Age Population

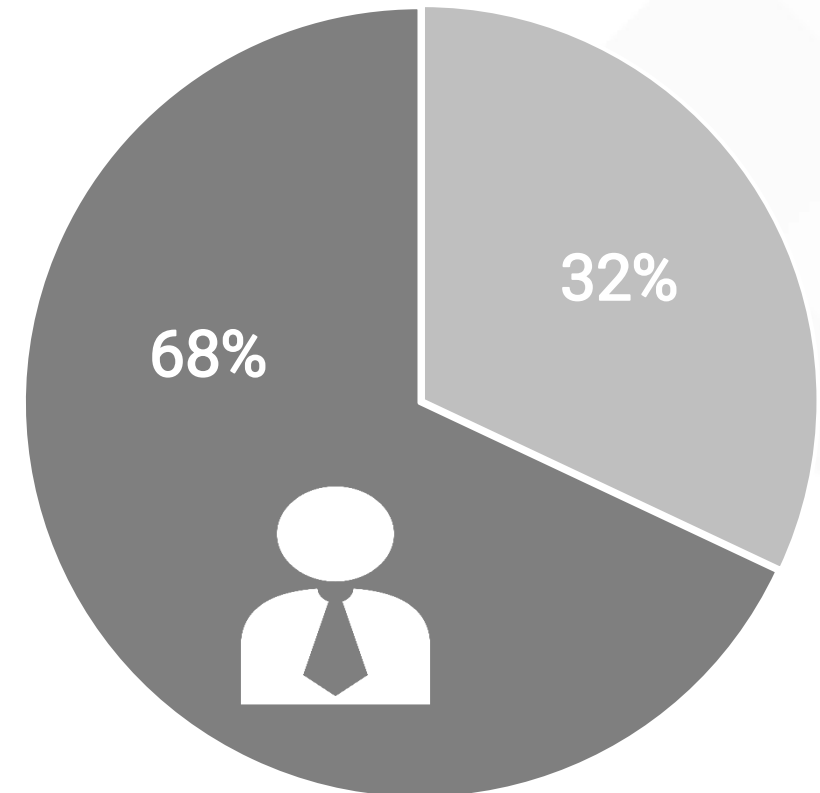
India  
Population at  
**1.43 Bn**



Adding **12 Mn**  
People to Working  
Population Every Year



## India's Population Breakup



- Non Working Age Population
- Working Age Population (15 - 64)

# Rising Income Leads To Lifestyle Improvement

## Then



Soap



Wired Earphones

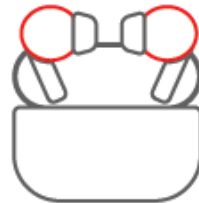


Family Car

## Now



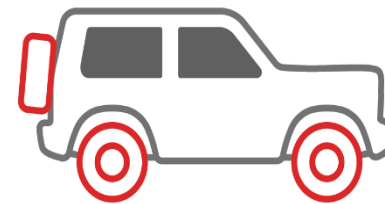
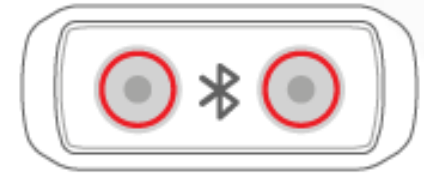
Use Based



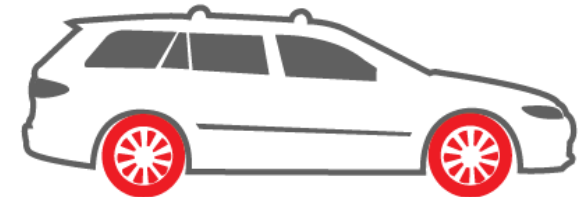
Wireless Earphones



Bluetooth Enabled



Lifestyle Vehicles





# Our Country Is Changing – Simple To Sophisticated

## New age consumer is upgrading their lifestyle



Analog watches and Feature phone



Uses Limited social media platforms



Home made meals were preferable and Street food



Prefers local Sabzi Market near residence



Prefers Local train, Buses and Autos



Fixed Deposit and Savings preferred for investment and savings



Opts for Movie Theatres and Television for Entertainment



Gen Y/Pre Millennials



Gen Z/Millennials

Smart Watch, Smart phone, Laptop, Wireless Headphones



Uses multiple Social Media Platforms – Instagram, LinkedIn, Snapchat, Facebook etc..



Orders Food Online with delivery services app



10 min grocery delivery service at doorstep



Uber, Ola, Prefers Air Travel



Mutual Funds, Stock Trading, Crypto

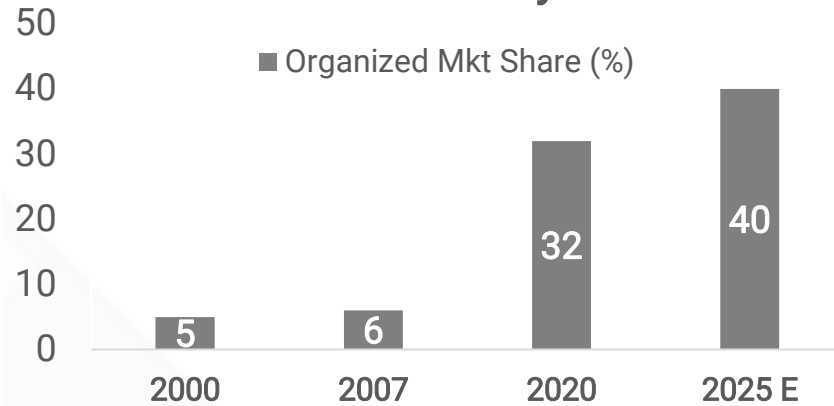


Uses OTT platforms, Online ticket booking, Concerts and Live Comedy Shows

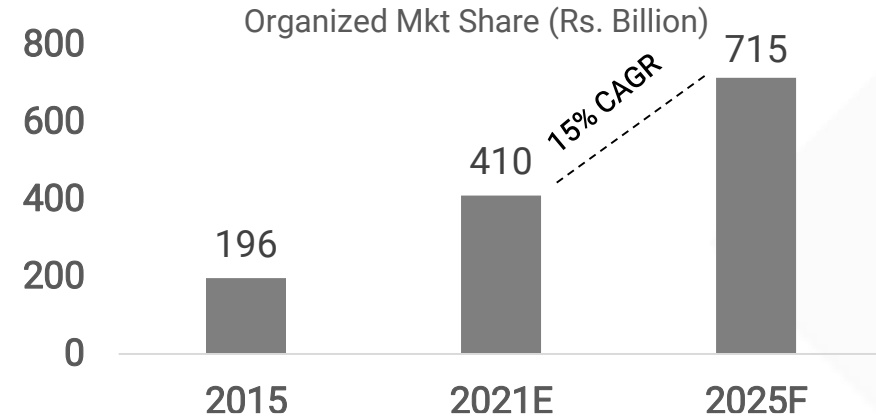


# Unorganized To Organized

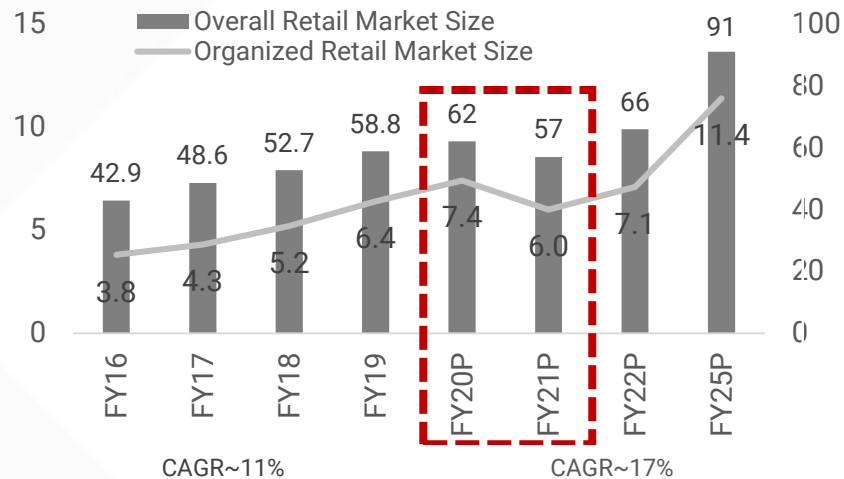
## Jewellery#



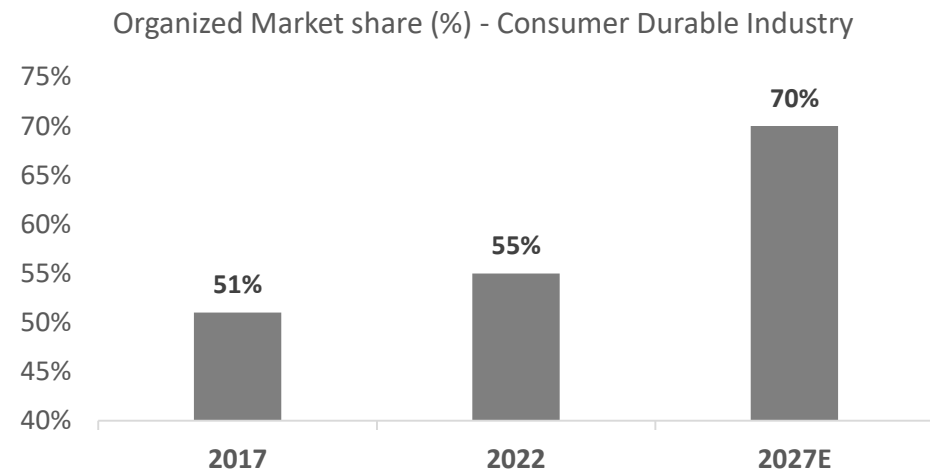
## Snacks^



## Kirana to Superstores\*

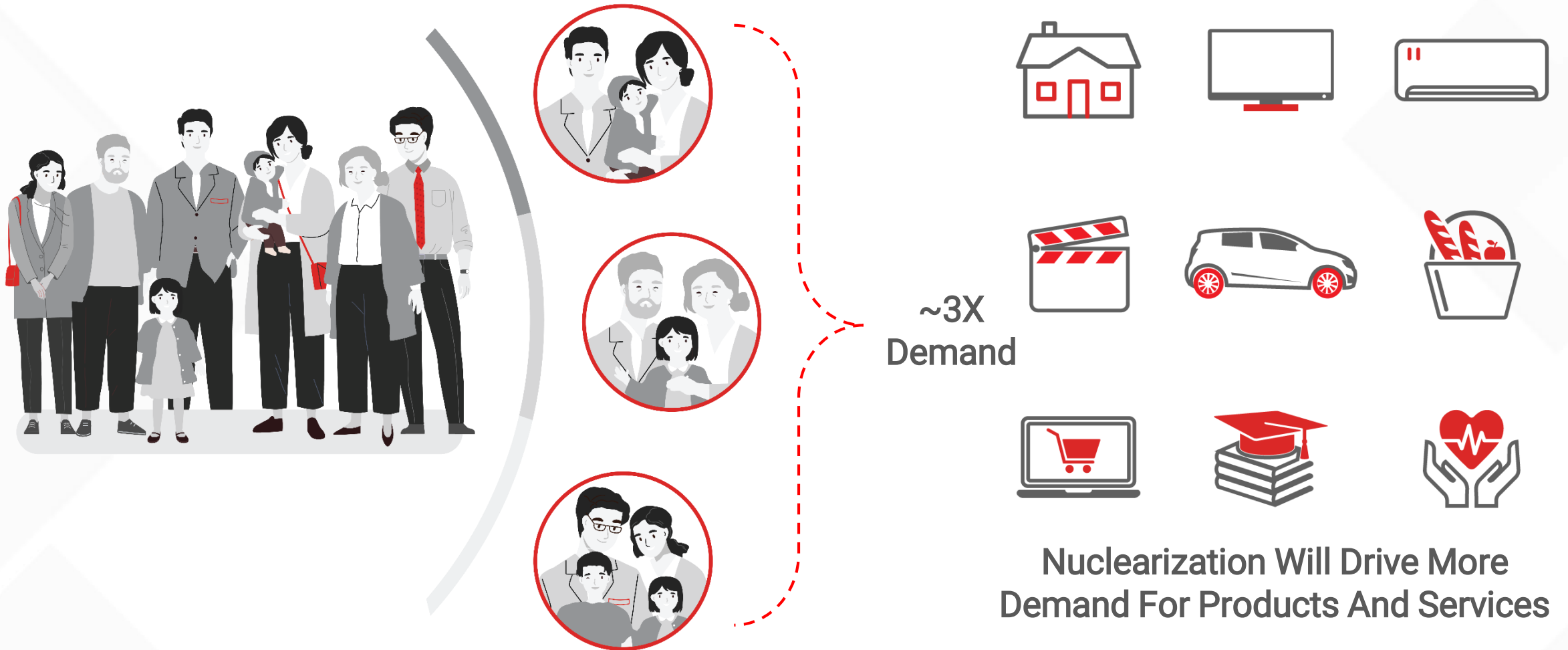


## Consumer Durables~



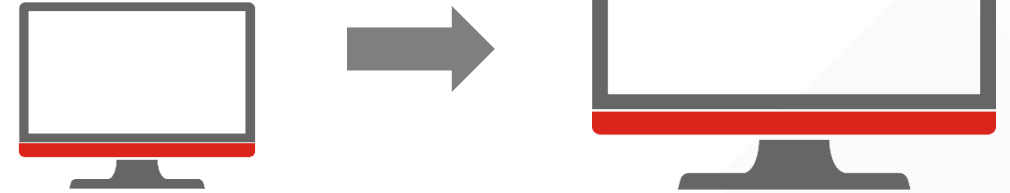
# Nuclearization Of Families Creating Demand

Nuclearization has gone up from 34% in 2008 to 50% in 2022\*

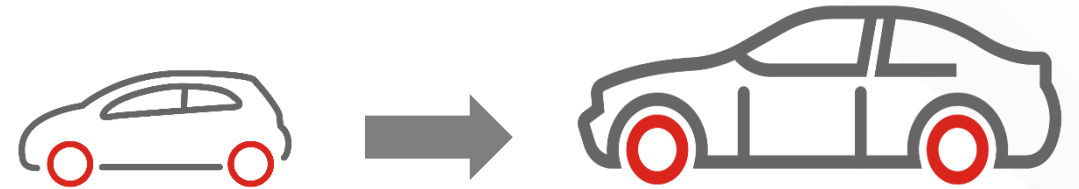


# For Aspirational Nation, “Bigger Is Better” For Consumption

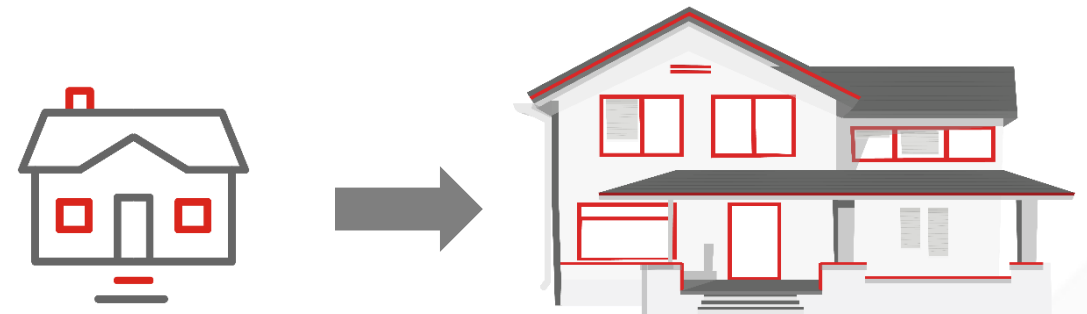
- 55” is the new 32” for TV Screens



- Increasing Preference for Larger Cars



- Demand for bigger flats boosted\*



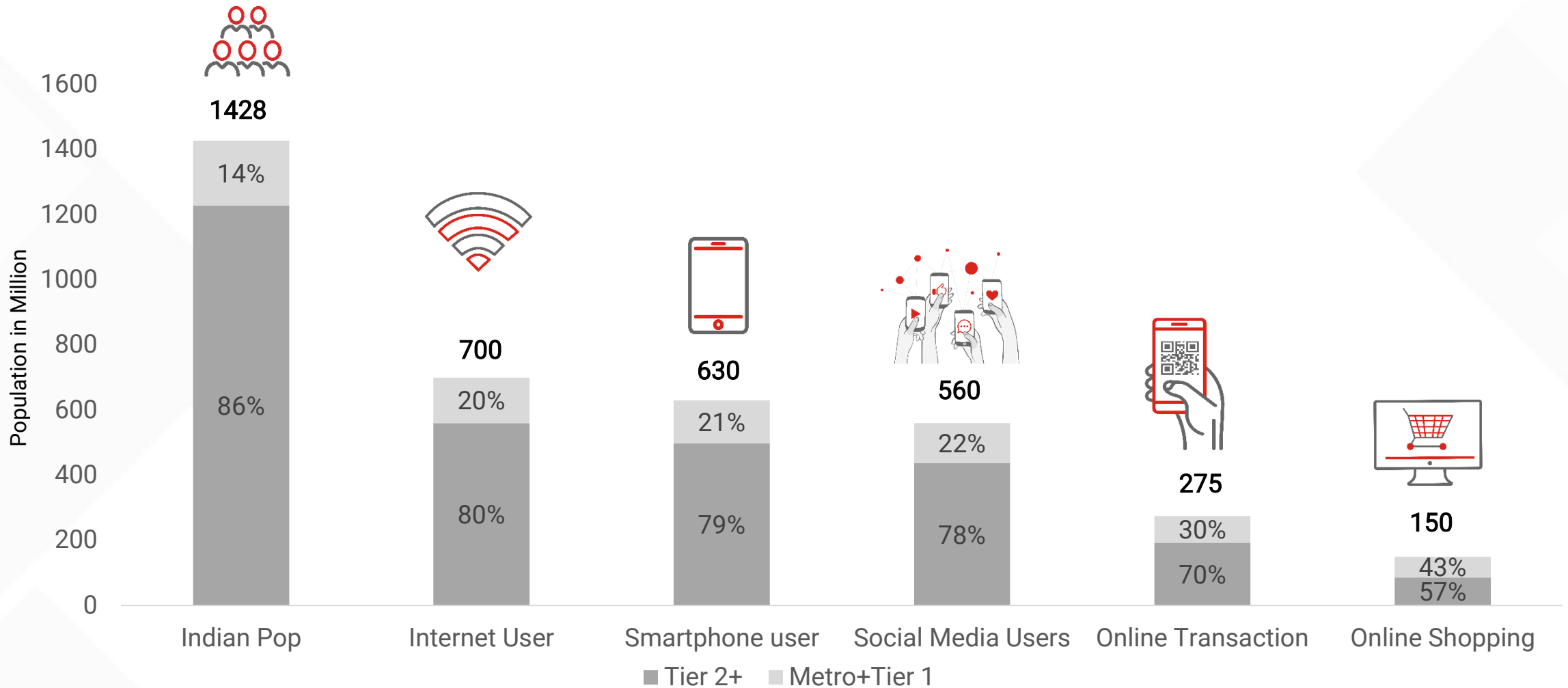
# Urbanization Is Leading To Transition

## India GDP Per Capita Composition

	France	Indonesia	Uganda
India →	2004 : 0.5 %	2004 : 17 %	2004 : 83 %
	2022 : 1.0 %	2022 : 27 %	2022 : 72 %



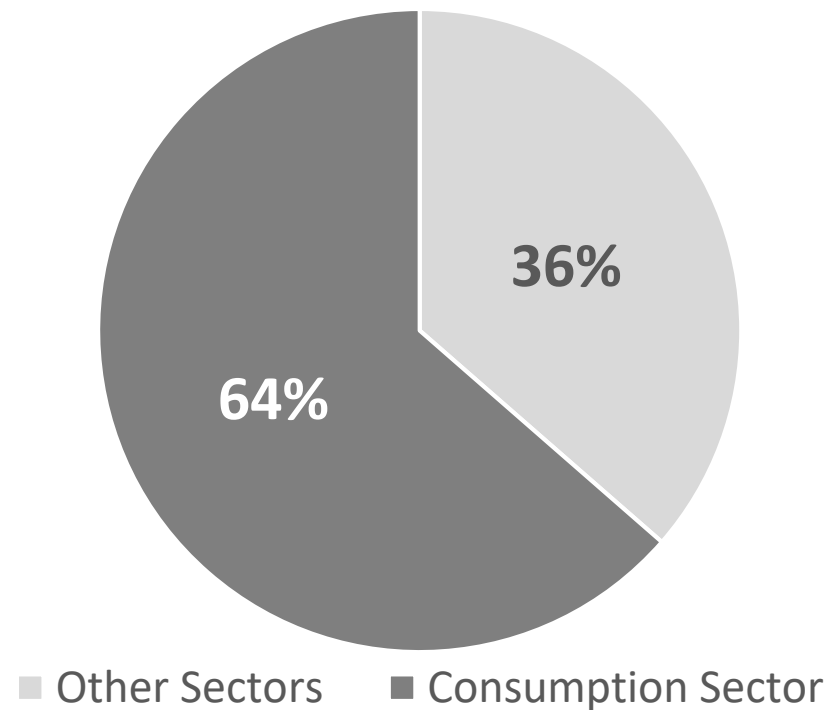
# Online Shopping Has A Long Road Ahead



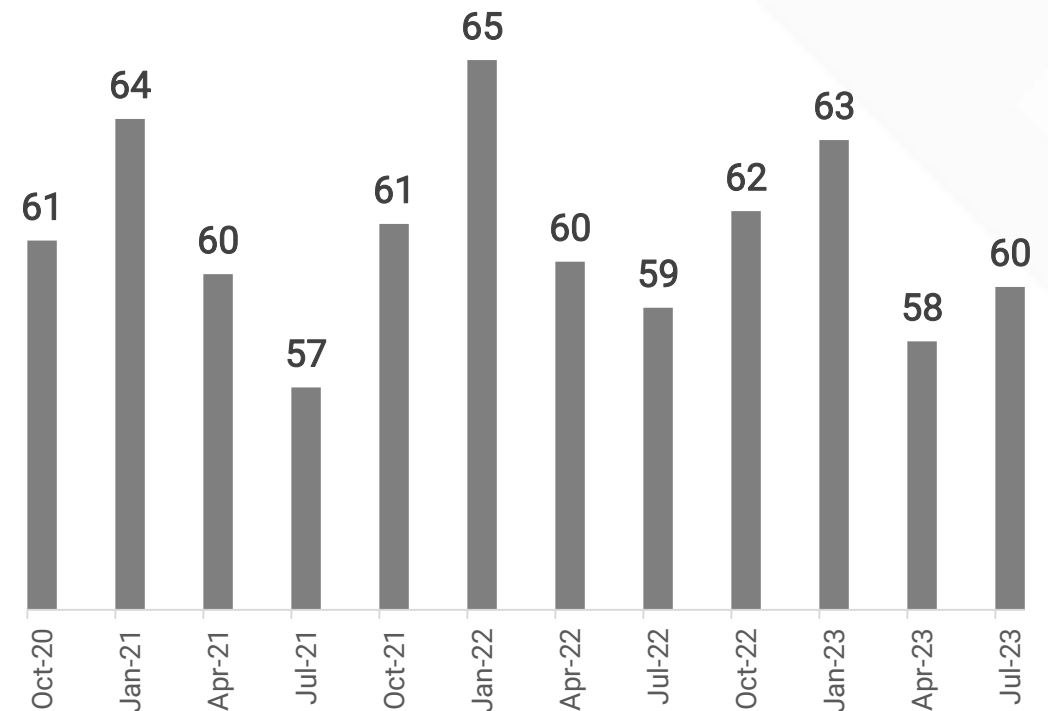
# Consumers Rule, Consumption Is The Tool

- 64% of Nifty 500 Index Market Cap is from Consumption Theme \*
- ~60% of India's Domestic GDP driven only by Domestic Demand #

Nifty 500 - Weight of Consumption Theme



India : Private Consumption as a % of GDP



## Nifty India Consumption Index

<b>FMCG</b> (38%)	<ul style="list-style-type: none"> <li>Household Products</li> <li>Packaged Foods</li> <li>Personal Care</li> </ul>	<b>Health Care</b> (4%)	<ul style="list-style-type: none"> <li>Biotechnology</li> <li>Hospital</li> <li>Medical Equipment &amp; Supplies</li> <li>Pharmaceuticals</li> </ul>
<b>Auto &amp; Auto Components</b> (20%)	<ul style="list-style-type: none"> <li>Passenger Cars &amp; Utility Vehicles</li> <li>2/3 Wheelers</li> <li>Auto Components &amp; Equipment</li> </ul>	<b>Power</b> (3%)	<ul style="list-style-type: none"> <li>Power Generation</li> <li>Power – Transmission</li> </ul>
<b>Consumer Durables</b> (14%)	<ul style="list-style-type: none"> <li>Consumer Electronics</li> <li>Gems, Jewellery And Watches</li> <li>Paints</li> </ul>	<b>Realty</b> (2%)	<ul style="list-style-type: none"> <li>Real Estate Investment Trusts (REITs)</li> <li>Real Estate related services</li> <li>Residential, Commercial Projects</li> </ul>
<b>Telecom</b> (10%)	<ul style="list-style-type: none"> <li>Telecom - Cellular &amp; Fixed line</li> <li>Telecom - Infrastructure</li> </ul>	<b>Textiles</b> (1%)	<ul style="list-style-type: none"> <li>Garments &amp; Apparels</li> <li>Other Textile Products</li> <li>Trading - Textile Products</li> </ul>
<b>Consumer Services</b> (8%)	<ul style="list-style-type: none"> <li>Diversified Retail</li> <li>Hotels &amp; Resorts</li> <li>Pharmacy Retail</li> </ul>		

Sector Components represents some of the major sectors in respective Theme. Index represents Nifty India Consumption Index as on 30<sup>th</sup> Sep'23 | Top Sectors represent only a part of the Theme. The stocks/sectors mentioned do not constitute any kind of recommendation and are for information purpose only. Kotak Mahindra Mutual Fund may or may not hold position in the mentioned stock(s)/sector(s). Source : NSE



# Our Country's Perception Has Changed



2003



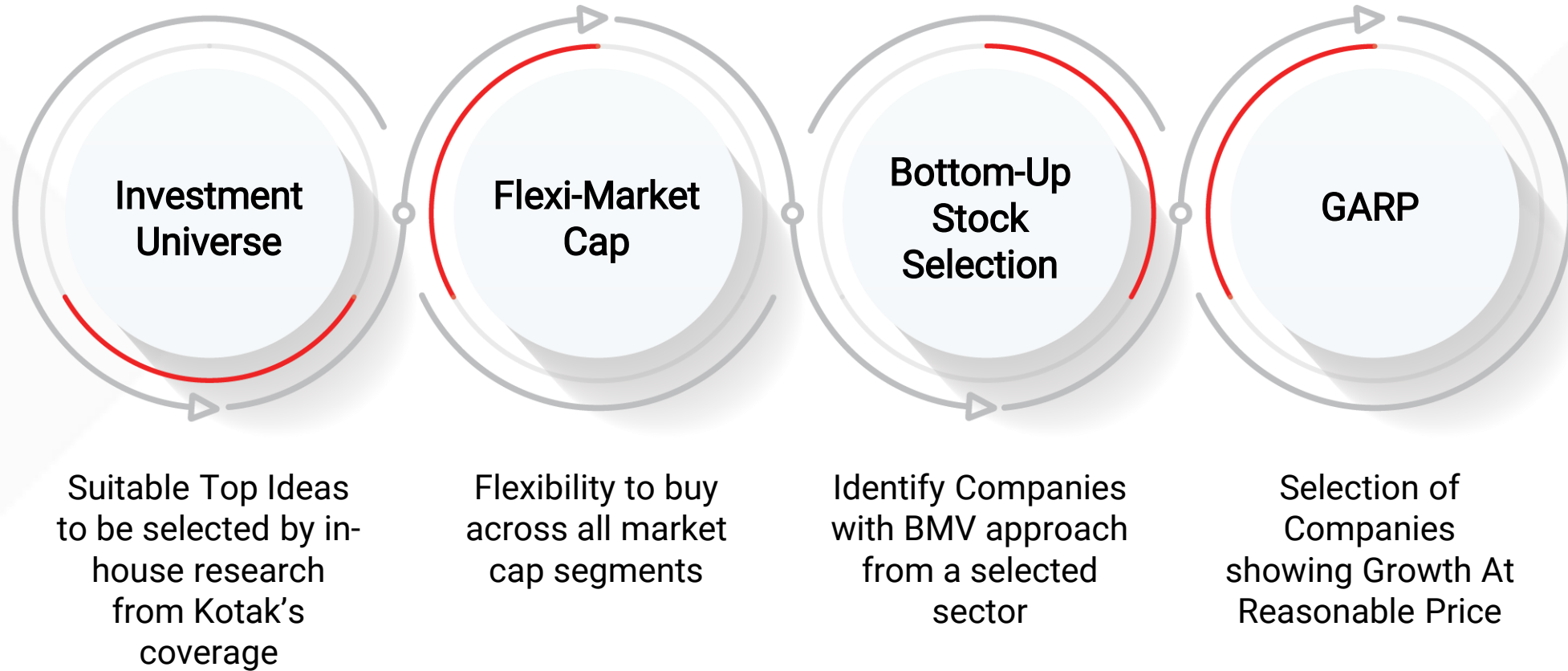
2023

# Kotak Consumption Fund

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*An Actively Managed Fund*

# Why Kotak Consumption Fund?



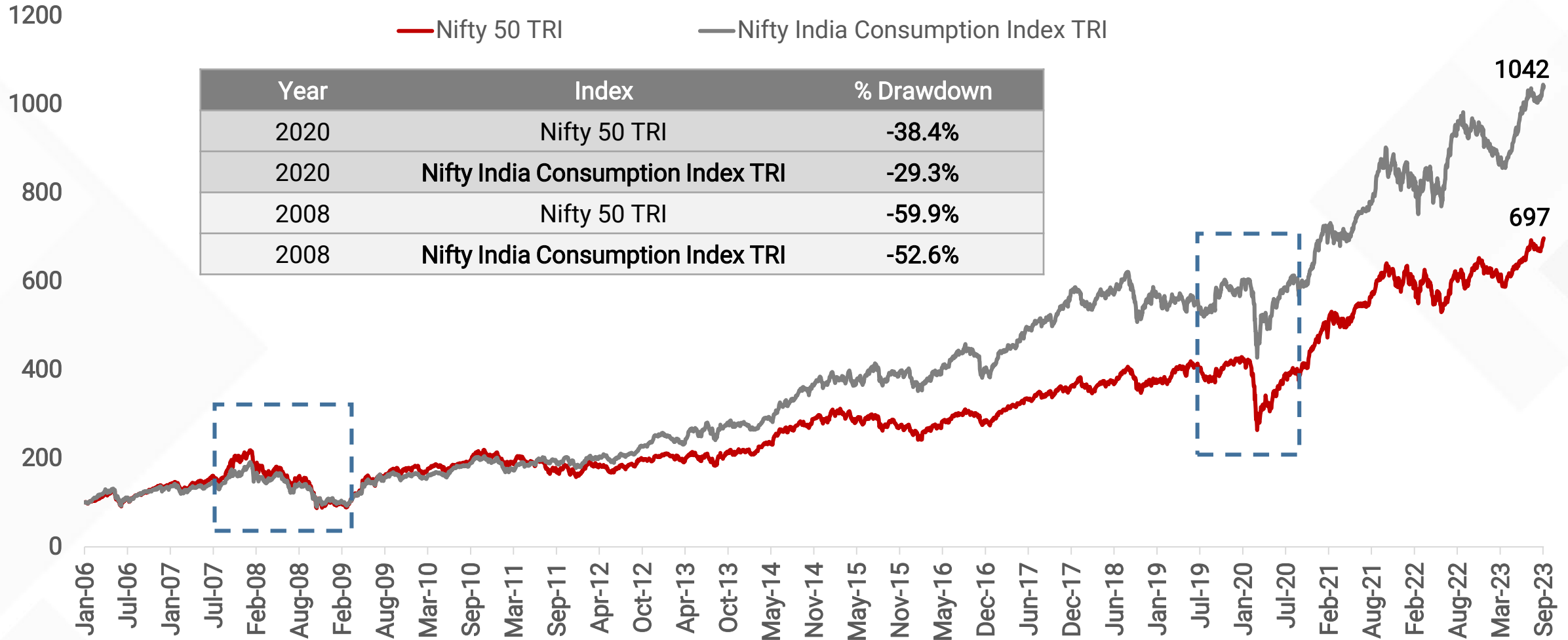
# Has Outperformed Frontline and Broader Indices

## 6 Of 11 Times Consumption Index Has Beaten Nifty 50 TRI and Nifty 500 TRI

Calendar Year	Nifty India Consumption TRI	Nifty 50 TRI	Nifty 500 TRI
CY23	10.6	7.2	10.3
CY22	8.5	5.7	4.2
CY21	9.8	25.2	30.9
CY20	20.6	16.0	17.7
CY19	1.0	12.9	8.6
CY18	-0.4	5.6	-1.5
CY17	46.7	30.3	37.6
CY16	-1.5	4.2	4.7
CY15	8.7	-3.0	0.0
CY14	30.8	32.9	39.1
CY13	9.8	7.2	3.8

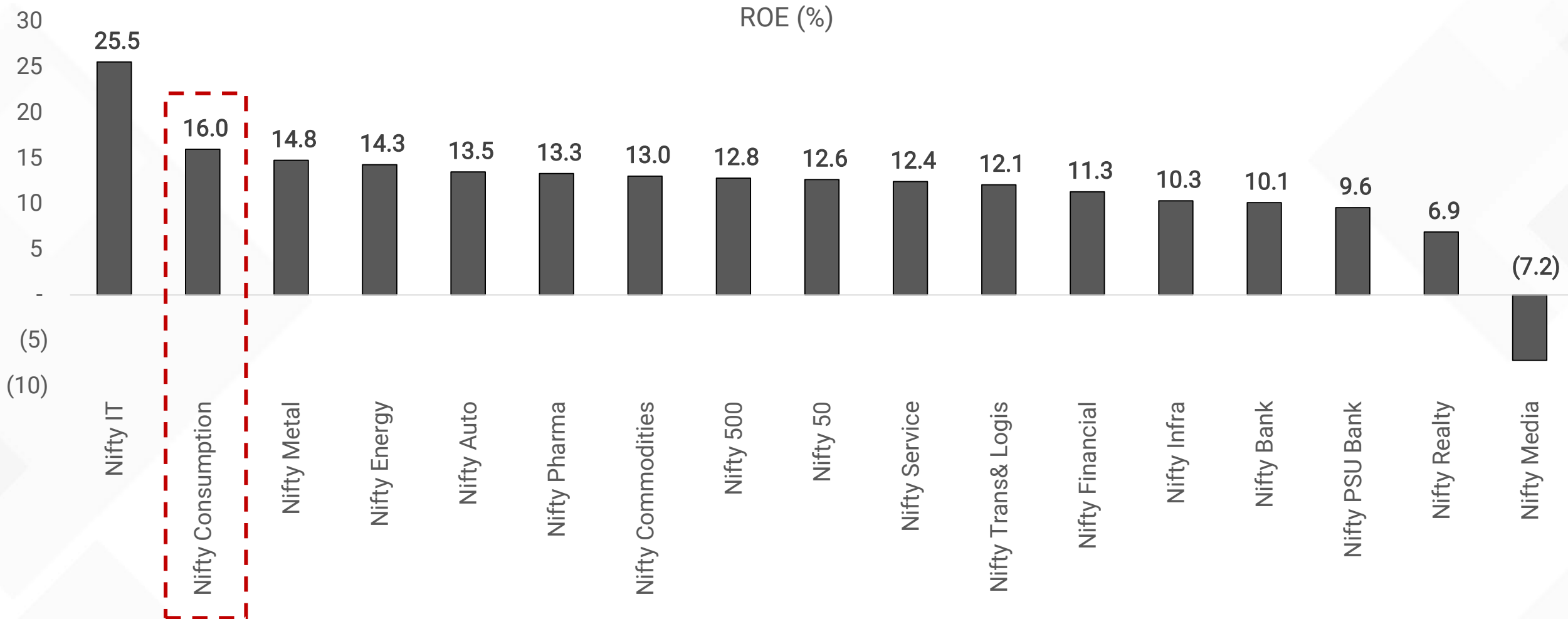
Source: ICRA MFI Explorer. Past Performance is not a guarantee for future return . CY 23 Returns as on 30<sup>th</sup> Sep'23. Returns Presented are in Absolute Terms. Nifty 500 TRI represents broader index. Nifty 50 TRI represents frontline index. The performance of the index shown does not in any manner indicate the performance of the Scheme. Kotak Mahindra Asset Management Company Limited (KAMAMC) is not guaranteeing or promising any returns/futuristic returns.

# Higher Returns With Lesser Drawdown



Source: Bloomberg. Past Performance is not a guarantee for future return. The performance of the index shown does not in any manner indicate the performance of the Scheme. Kotak Mahindra Asset Management Company Limited (KAMAMC) is not guaranteeing or promising any returns/futuristic returns. Kotak Mahindra Asset Management Company Limited (KAMAMC) is not guaranteeing or promising any returns/futuristic returns. Data as on 30<sup>th</sup> Sep'23.

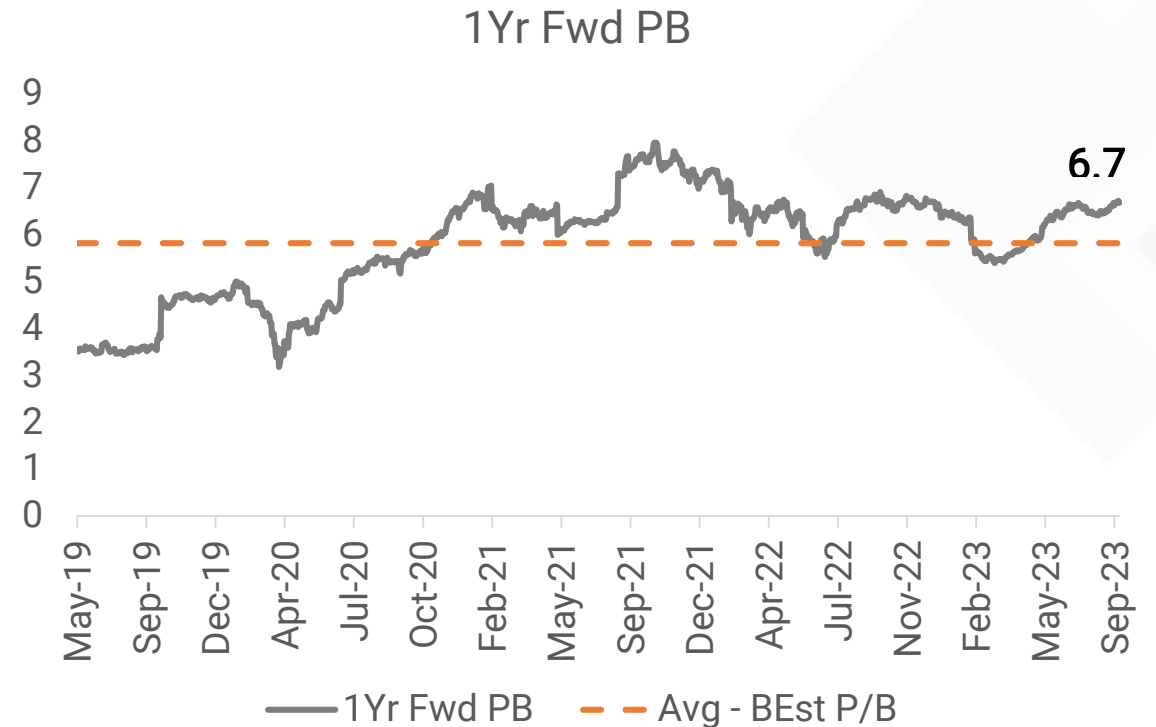
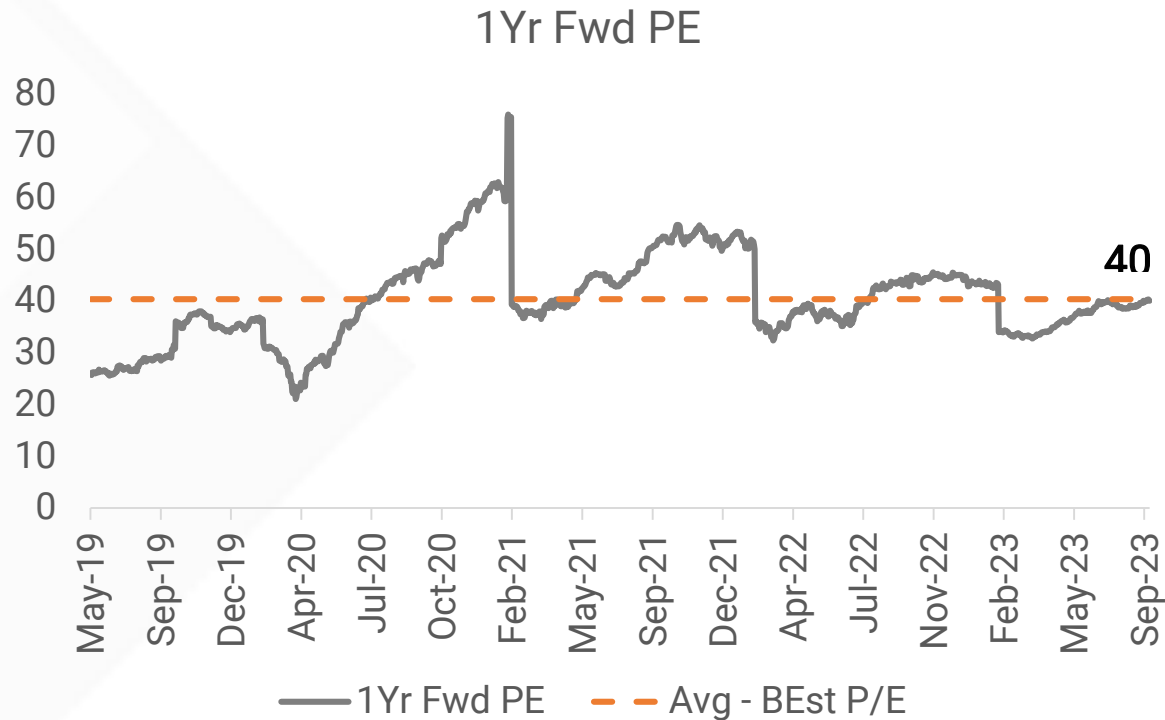
# Return Ratios Better Than Most Indices



Source: Bloomberg. Past Performance is not a guarantee for future return. Data as on 30<sup>th</sup> Sep'23. The performance of the index shown does not in any manner indicate the performance of the Scheme. Kotak Mahindra Asset Management Company Limited (KAMAMC) is not guaranteeing or promising any returns/futuristic returns.

# Valuation Close To 5 Year Average

## Nifty India Consumption Index



Source: Bloomberg, as of 30<sup>th</sup> Sep'23. Past Performance is not a guarantee for future return. The performance of the index shown does not in any manner indicate the performance of the Scheme. Kotak Mahindra Asset Management Company Limited (KAMAMC) is not guaranteeing or promising any returns/futuristic returns.



## Mr. Devender Singhal - Fund Manager

### Business Experience:

- 22+ years Industry Experience in Indian Equity Markets
- With Kotak Mahindra AMC for more than 15 years
- Fund Manager with Kotak Mahindra AMC for 8+ Years
- Consumer, Auto and Media Analyst in the Past



# Discipline Pays Off In Systematic Investments

## Nifty India Consumption Index TRI Systematic Investment Returns

Period	31 <sup>st</sup> Aug'23	31 <sup>st</sup> Mar'20
Since Inception	14.0%	10.2%
10 Y	13.6%	8.4%
7Y	13.9%	1.1%
5Y	15.8%	-0.1%
3 Y	15.6%	-8.8%
1 Y	15.1%	-27.3%

Source: Bloomberg, Internal Calculations. Past Performance is not a guarantee for future return. The returns are calculated by XIRR approach. XIRR helps in calculating return on investments given an initial and final value and a series of cash inflows and outflows and taking the time of investment into consideration. Index Inception – Jan 2006. SIP (Systematic Investment) Returns are Calculated considering a monthly SIP of Rs. 10,000 for given period on 1<sup>st</sup> working day of every month. Data as on 30<sup>th</sup> Sep'23. 25

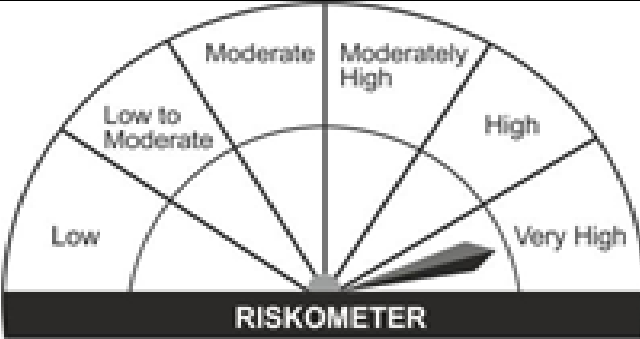
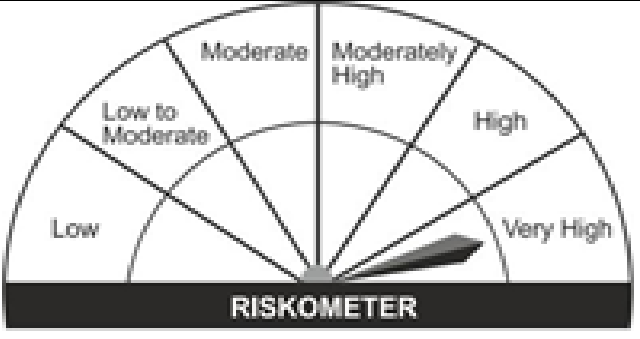
# Salient Features

Feature	Description																		
Name Of The Scheme	KOTAK CONSUMPTION FUND																		
Type of Scheme	An open ended equity scheme following Consumption theme.																		
Investment Objective	The investment objective of the scheme is to generate long-term capital appreciation from a portfolio that is invested predominantly in equity and equity related securities of companies engaged in consumption and consumption related activities. However, there is no assurance that the objective of the scheme will be achieved.																		
Benchmark Index	Nifty India Consumption Index (Total Return Index)																		
Asset Allocation*	<table border="1"> <thead> <tr> <th>Investments</th> <th>Indicative Allocation</th> <th>Risk Profile</th> </tr> </thead> <tbody> <tr> <td>Equity and Equity Related Securities of companies engaged in Consumption and Consumption related activities *</td> <td>80%-100%</td> <td>Very High</td> </tr> <tr> <td>Equity and Equity Related Securities of companies other than those engaged in Consumption and Consumption related activities^</td> <td>0%-20%</td> <td>Very High</td> </tr> <tr> <td>Overseas Mutual Funds schemes / ETFs / Foreign Securities</td> <td>0%-20%</td> <td>Very High</td> </tr> <tr> <td>Debt and Money Market Securities#^</td> <td>0%-20%</td> <td>Low to Moderate</td> </tr> <tr> <td>Units of REITs &amp; InvITs</td> <td>0%-10%</td> <td>Very High</td> </tr> </tbody> </table>	Investments	Indicative Allocation	Risk Profile	Equity and Equity Related Securities of companies engaged in Consumption and Consumption related activities *	80%-100%	Very High	Equity and Equity Related Securities of companies other than those engaged in Consumption and Consumption related activities^	0%-20%	Very High	Overseas Mutual Funds schemes / ETFs / Foreign Securities	0%-20%	Very High	Debt and Money Market Securities#^	0%-20%	Low to Moderate	Units of REITs & InvITs	0%-10%	Very High
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Units of REITs & InvITs	0%-10%	Very High																	
Fund Manager (s)	Mr. Devender Singhal will be the fund manager for equity investment of the scheme. Mr. Abhishek Bisen will be the Fund Manager for debt investment of the Scheme and Mr. Arjun Khanna will be the Dedicated Fund Manager for investments in foreign securities.																		
Exit Load	<ul style="list-style-type: none"> <li>For redemption / switch out within 30 days from the date of allotment: 1%</li> <li>If units are redeemed or switched out on or after 30 days from the date of allotment: NIL</li> </ul>																		
Minimum Purchase Amount	Initial Purchase (Non-SIP): Rs. 5000/- and in multiples of Re. 1 for purchases and of Re. 0.01 for switches Additional Purchase (Non-SIP) : Rs. 1000/- and in multiples of Re. 1 for purchases and of Re. 0.01 for switches SIP Purchase: Rs. 500/- (Subject to a minimum of 10 SIP installments of Rs. 500/- each)																		

\*For Detailed Information, Please Refer to the Scheme Information Document ( SID)

## KOTAK CONSUMPTION FUND

An open ended equity scheme following Consumption theme.

<p>This product is suitable for investors who are seeking*</p> <ul style="list-style-type: none"> <li>• Long term capital growth</li> <li>• Investment in portfolio of predominantly equity &amp; equity related securities of companies engaged in Consumption &amp; consumption related activities</li> </ul>	<p><b>Scheme Risk-o-meter</b></p>  <p><b>RISKOMETER</b></p> <p>Investors understand that their principal will be at Very High Risk</p>	<p><b>Benchmark (Nifty India Consumption TRI) Risk-o-meter</b></p>  <p><b>RISKOMETER</b></p> <p>Investors understand that their principal will be at Very High Risk</p>
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\* Investors should consult their financial advisers if in doubt about whether the product is suitable for them.

(The product labelling assigned during the New Fund Offer is based on internal assessment of the Scheme Characteristics or model portfolio and the same may vary post NFO when actual investments are made)

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Past performance may or may not be sustained in future. For more details visit [www.kotakmf.com](http://www.kotakmf.com). For detailed portfolio and related disclosures for the scheme(s) please refer our website <https://www.kotakmf.com/Information/forms-and-downloads>. The portfolio and its composition is subject to change and the same position may or may not be sustained in future. The fund manager may make the changes, as per different market conditions and in the best interest of the investors. To view the latest complete performance details of the Scheme(s) kindly refer to the factsheet on our website <https://www.kotakmf.com/Information/forms-and-downloads>.

Investors may consult their financial expert before making any investment decision.

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



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