

MEDIA RELEASE

ETF Securities offers Australian investors first access to India growth story

- Australia's first India equities ETF (ASX Code: NDIA) launched today
- ETF Securities partners one of India's largest fund managers, Reliance Nippon Life Asset Management
- NDIA tracks the Nifty50 Index, which holds the 50-biggest companies listed on India's National Stock Exchange
- Nifty50 up nearly 15% in last five years (annualised as at 31 May 2019 in AUD)
- India poised to overtake China as the world's largest economy, with 7.5% growth this year

SYDNEY, June 21 – ETF Securities is offering investors a unique opportunity to tap into the world's fastest growing major economy with the launch today of Australia's first India equities Exchange Traded Fund.

Listed today on the Australian Securities Exchange with the code NDIA, the ETF is a partnership between ETF Securities and one of India's largest asset managers, Reliance Nippon Life Asset Management (RNAM).

"India is the most dynamic economic growth story globally, but, until now, it has been difficult for investors to access," said Kris Walesby, Head of ETF Securities Australia. "This product offers investors the chance to gain exposure to a \$US2.6 trillion economy that still has tremendous potential to grow as India reaps the benefits of structural reforms," Mr Walesby said.

The World Bank has forecast India's economy will grow by 7.5% in 2019/20, and by the same amount in fiscal 2020 – ahead of China's projected growth of 6.2% and 6.1% respectively over the same period.

"India's population of 1.3 billion, and, in particular, its emerging middle class, illustrates the scale of the opportunity," said Mr Walesby. "Within six years it's expected that around one fifth of the world's working age population will be Indian, and that represents a huge fillip to the economy."

"The increasing wages of the middle and lower classes, coupled with growing demand for consumer items such as mobile phones should underpin further strong growth going forward."

Mr Walesby highlighted the recent Indian election result, which saw Narendra Modi's Bharatiya Janata Party returned to power, as a positive for India's economy.

"Political stability will allow the benefits of recent reforms to Goods and Services Tax and bankruptcy laws to continue filtering through in the form of stronger earnings performances by India's major companies," he said.

Mr. Mukesh Agarwal, CEO of NSE Indices Limited, said "Nifty50 has become synonymous with equity markets and reflects the growth story of Indian capital markets. ETF on Nifty50 in Australia will help institutional and retail investors in Australia to efficiently participate in the world's fastest growing

economy. The success of Nifty50 index is evident from the widespread acceptance of Nifty50 for launch of India access products globally.”

Another positive is the fact that 60% of India’s GDP is driven by domestic private consumption (compared to 40% in China), effectively insulating the economy against external shocks, Mr Walesby said.

NDIA tracks India’s Nifty50 Index, which holds the country’s fifty biggest companies listed on the National Stock Exchange (NSE). It accounts for 13 sectors representing about 66.8% of the free float market capitalisation of the stocks listed on the NSE.

Among the companies included in the Nifty50 are HDFC Bank, Tata Consultancy Services, Housing development Finance Corp, Reliance Industries and Hindustan Unilever.

The Nifty50 is up nearly 19% over the past year and nearly 15% annualised return over 5 years (as at 31 May 2019 in AUD).

RNAM’s executive director and chief executive officer, Sundeep Sikka, said his company was delighted to be partnering ETF Securities in allowing Australian investors to participate in “the India growth story”.

“NDIA will provide Australian investors access to the Nifty50 Index which has been the torch bearer of Indian equities for the last 25 years and is considered to be ‘the stock of the nation’,” Mr Sikka said.

India has been difficult for offshore investors to access due to the country’s strict foreign investment rules. Although there are a few unlisted “active” funds that invest in India, ETF Securities’ NDIA is the first vehicle for “passive investment” available to Australian investors wanting access to India.

ETF Securities co-head of sales, Kanish Chugh, who recently returned from India, believes significant improvements to infrastructure will play a major role in driving India’s economic growth.

“Many of the existing transport networks, while large in scale, have proved inadequate for the task of moving people and products around the country efficiently,” Mr Chugh said. “However, we are now starting to see the benefits of major investment in the rail and road systems.”

“Light rail networks are now operating in most capital cities and this has cut travel times in some instances from two hours to 25 minutes,” according to Mr Chugh.

ETF Securities is Australia’s only independent ETF provider. Founded by philanthropist Graham Tuckwell, the group has more than A\$1 billion in funds under management, across sectors as diverse as robotics, biotechnology, infrastructure, and commodities.

Reliance Nippon Life Asset Management Limited - RNAM is one of the largest asset managers in India, managing (directly & indirectly) assets across mutual funds, pension funds, managed accounts, alternative investments, and offshore funds.

NDIA, which has a fee of 0.85% - 1.0%, adds to ETF Securities' portfolio of international products that includes ZYUS, TECH, ROBO, CORE and ACDC.

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