

# Kotak Nifty Commodities Index Fund

An open-ended scheme replicating/tracking the Nifty Commodities Index

The Circulation Of Commodities Is The Original Precondition Of The Circulation Of Money.  
- *Karl Marx*

# What Are Commodities ?

Cement



Power



Oil, Petroleum Products



Metals and Mining



- Commodities are **natural resources** derived from **mining, drilling, or agriculture**.
- Their prices are primarily driven by **supply and demand dynamics**.
- **Soft commodity** prices are influenced by **weather conditions**, while **hard commodities** are more affected by the **business cycle**.
- **By nature, commodities are cyclical.**

# Commodity Classification

Commodities are broadly classified into two categories: Hard Commodities and Soft Commodities.

## 1. Hard Commodities – "Things We Dig or Extract"

These are **natural resources** that come from the earth and require mining or drilling.

## 2. Soft Commodities – "Things We Grow"

These are **agricultural products** that are farmed or raised and are often seasonal.

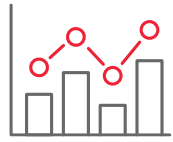
### Hard Commodities

Energy	Precious Metals	Industrial Metals
Oil	Gold	Aluminum
Heating Oil	Silver	Copper
Natural Gas	Platinum	Nickel
Diesel	Palladium	Zinc
Gasoline		Lead
		Tin

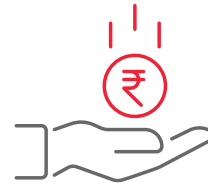
### Soft Commodities

Agricultural Products
Soya
Grains
Sugar
Corn
Cotton
Coffee
Livestock

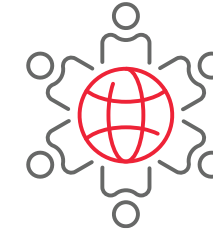
# What Drives Commodity Prices ?



Economic Performance,  
Interest Rates, And  
Inflation



Weather Conditions, Natural Disasters,  
And Climate Change



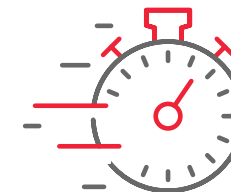
Evolving Geopolitical  
Risks



Commodities Currency Basket  
And Trade Regulations

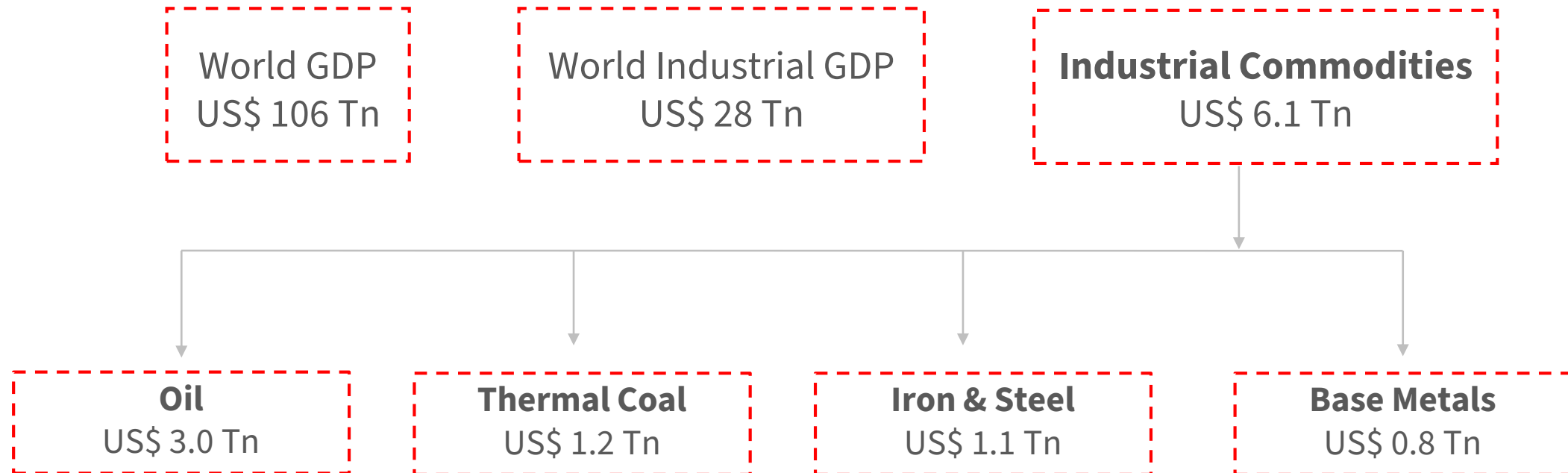


Changes In Inventory Or  
Demand/Supply Balance

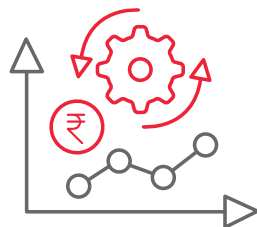


Any Other Global  
Uncertainties

# Industrial Commodities: A Key Pillar of Economic Growth

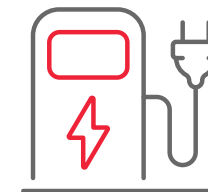


# Case To Invest In Commodity- Driven Equities



## **Economic Recovery Post-Pandemic:**

Global economic recovery is driving demand for energy, metals, and other commodities.



## **Energy Transition:**

Renewable energy trends are fueling demand for certain commodities.



## **Infrastructure Spending**

Significant infrastructure investments (e.g.US, India, China) are increasing demand for steel, copper, cement etc.

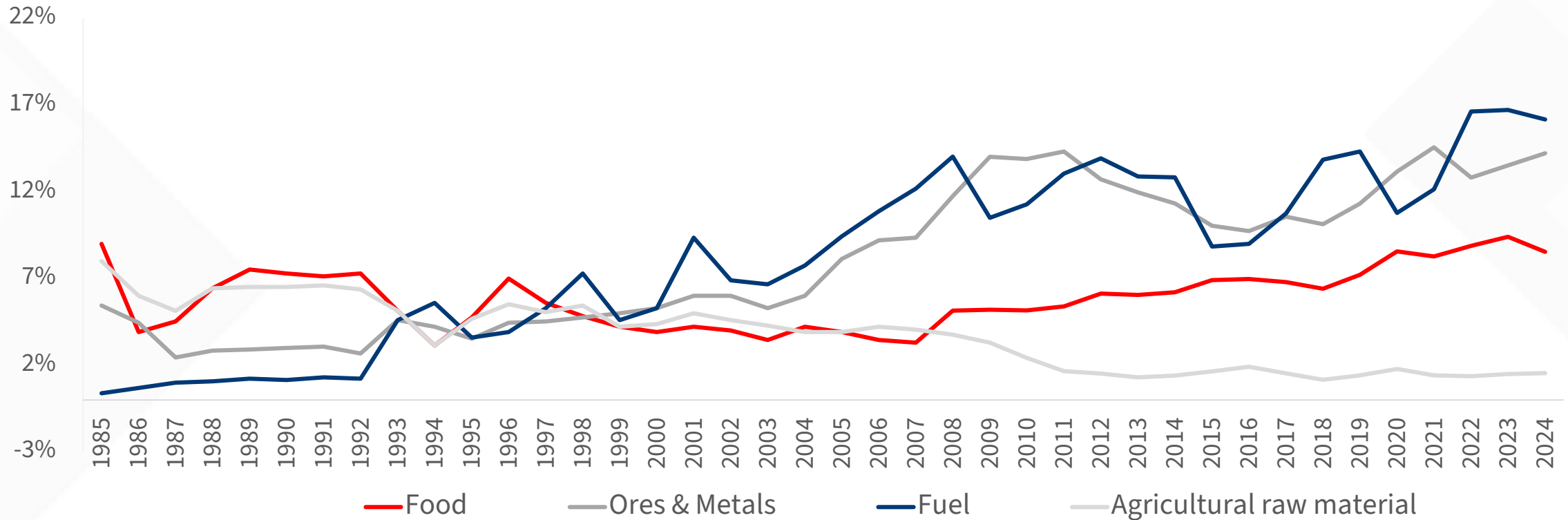


## **High Beta: Better Return Potential**

High-beta stocks are volatile but may outperform in favorable markets.

# China's Fiscal Stimulus Could Benefit Commodity Prices

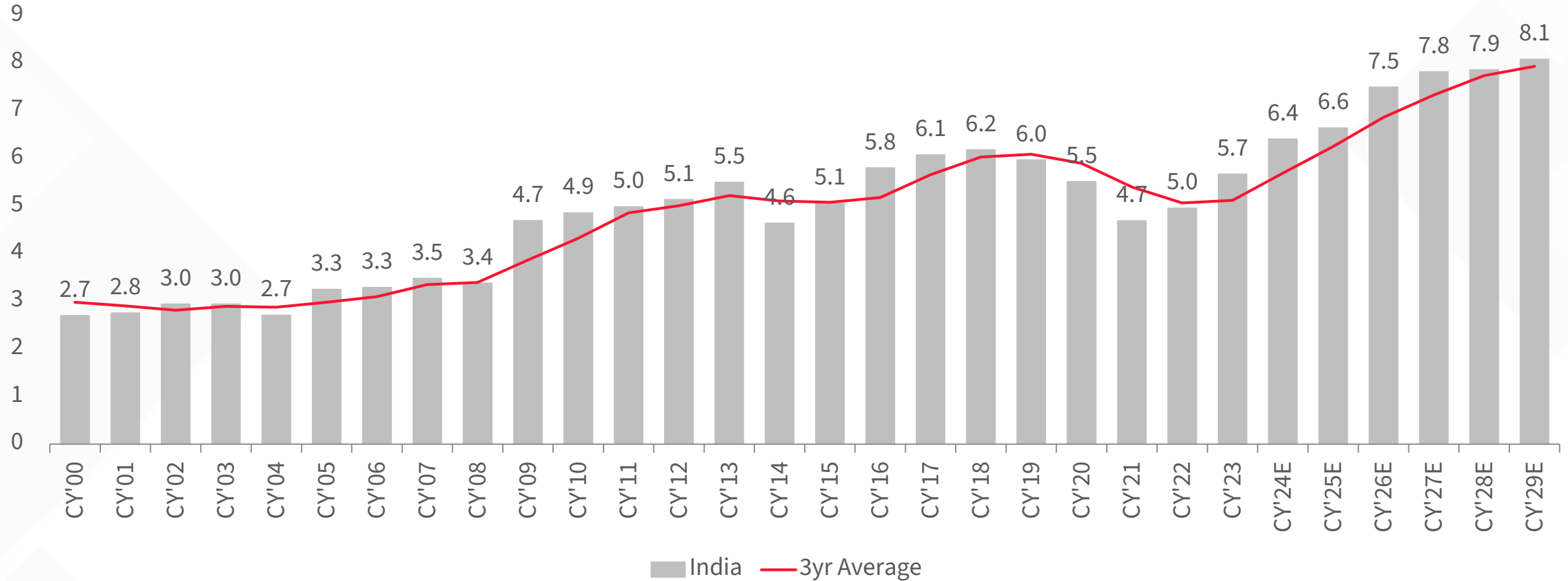
Chinese Commodity imports as a % of total imports



China's fiscal stimulus, especially in the property sector, could drive lasting growth in demand for energy, metals, and raw materials, pushing commodity prices higher.

# India Set To Become 3rd Largest Economy In Next 5 Years

## India's Contribution To World GDP Expected To Reach 8.1% By 2029



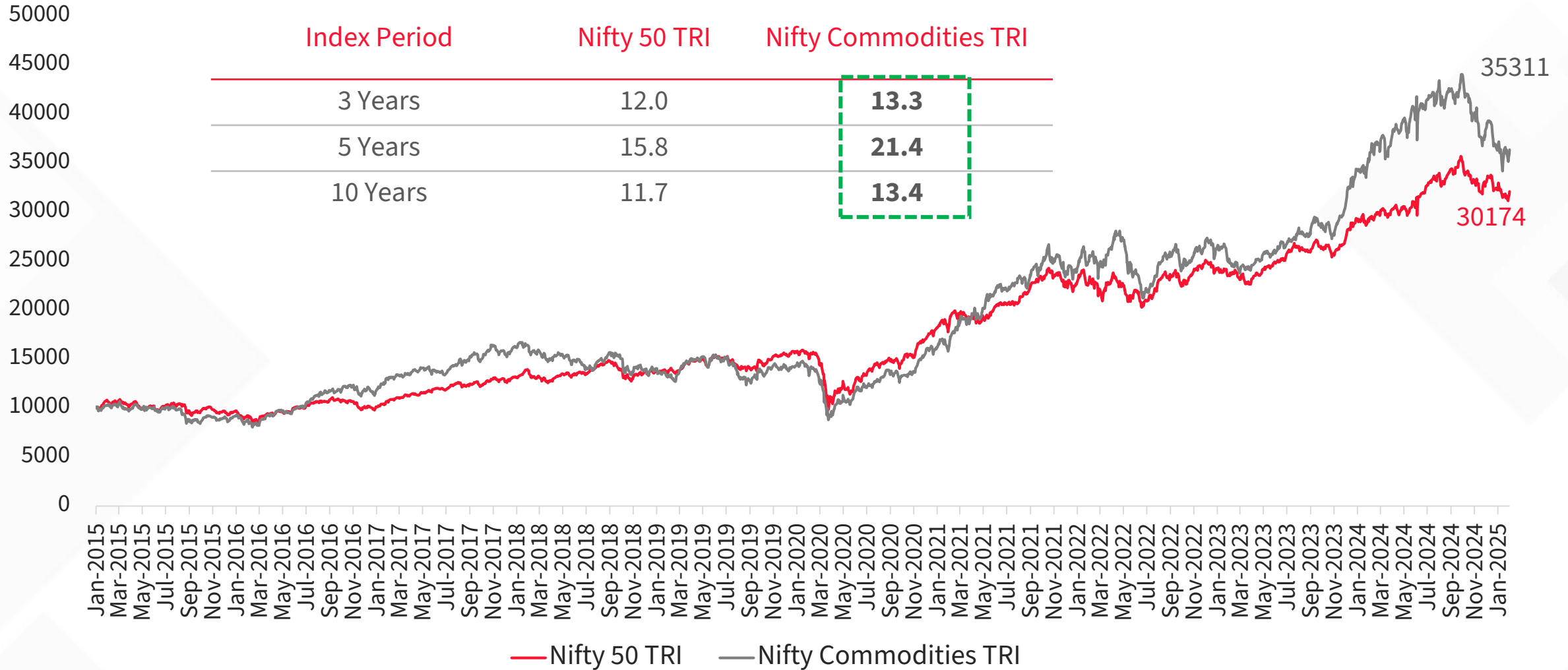
**Indian Economic Expansion => Increase In Industrial Demand => Commodities Demand**





## Performance At A Glance

# Nifty Commodities TRI Has Outperformed Broad Based Index



Returns are as on 31-Jan-2025 Source: ICRA. Past performance may or may not be sustained in the future. The performance of the index shown does not in any manner indicate the performance of the Scheme. Kotak Mahindra Asset Management Company Limited (KMAMC) is not guaranteeing or promising any returns/futuristic returns.

# Nifty Commodities TRI Performance

## Average 2 year Rolling Returns

### Nifty 50 TRI

### Nifty Commodities TRI

	Nifty 50 TRI	Nifty Commodities TRI
Maximum	52%	72%
Average	14%	15%
Std. Deviation	8.3	15.3

Returns are as on 31-Jan-2025. Source: ICRA. Data is taken from 31-Jan-2015 till 31-Jan-2025. For Rolling returns the rolling period taken is 2 year rolling period and the rolling frequency is one day. Past performance may or may not be sustained in the future. The performance of the index shown does not in any manner indicate the performance of the Scheme. Kotak Mahindra Asset Management Company Limited (KMAMC) is not guaranteeing or promising any returns/futuristic returns.

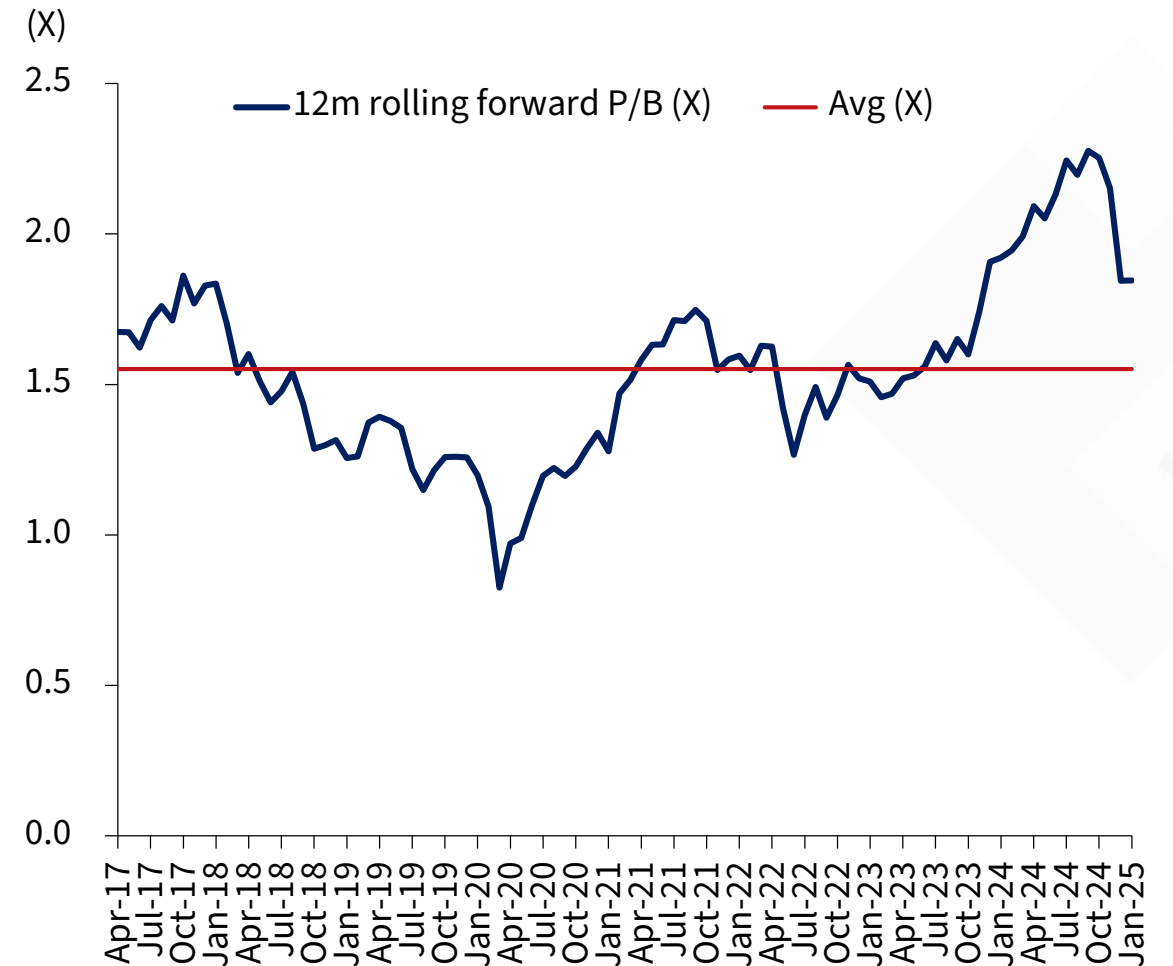
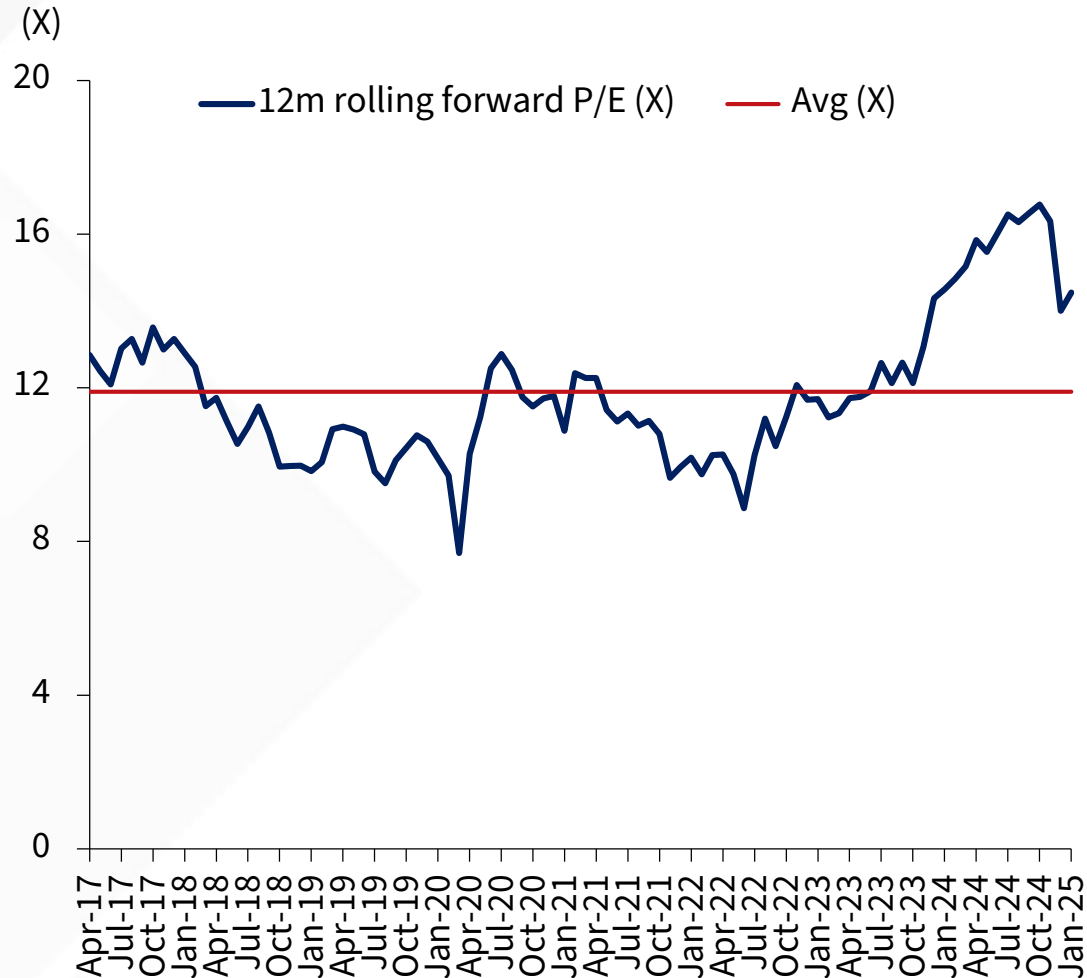
# Nifty Commodities TRI : Lumpsum & SIP

Period	Lumpsum Returns (%)	SIP Returns (%)
3 Years	14.7%	13.3%
5 Years	20.3%	21.4%
7 years	18.2%	12.1%
10 Years	16.1%	13.4%

Source: ICRA. Data as on 31st Jan 2025. Base Date : January 01, 2004

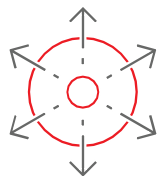
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# Nifty Commodities Index: Valuations Have Corrected From The Peak

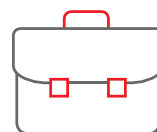


Source: Bloomberg, Kotak Institutional Equities, data as on 31st Jan 2025. The performance of the index shown does not in any manner indicate the performance of the Scheme. Past performance may or may not be sustained in future. (KMAMC) is not guaranteeing or promising any returns/futuristic returns. PE/PB is of Nifty Commodities Index

# Presenting Kotak Nifty Commodities Index Fund



Diversified across 6 sectors\*



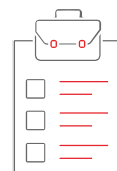
Weighing is based on free-float market capitalization



Constituents selected from the Universe of Nifty 500 Index.



Rebalancing of index every 6 months



Relatively Low Cost when compared to actively managed funds



Index suitable for systematic investing

Source: NSE, [www.niftyindices.com](http://www.niftyindices.com), Data as on 31st Jan 2025\*. The portfolio and its composition is subject to change and the same position may or may not be sustained in future. For detailed index methodology kindly visit [www.niftyindices.com](http://www.niftyindices.com). The above data is used to explain the concept and should not be used for development or implementation of an investment strategy. Index is computed using float adjusted market capitalization. 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).

# Exposure To India's Key Commodity Companies

Company Name	Industry
ACC Ltd.	Construction Materials
APL Apollo Tubes Ltd.	Capital Goods
Adani Energy Solutions Ltd.	Power
Adani Green Energy Ltd.	Power
Adani Power Ltd.	Power
Ambuja Cements Ltd.	Construction Materials
Bharat Petroleum Corporation Ltd.	Oil Gas & Consumable Fuels
Coal India Ltd.	Oil Gas & Consumable Fuels
Grasim Industries Ltd.	Construction Materials
Hindalco Industries Ltd.	Metals & Mining
Hindustan Petroleum Corporation Ltd.	Oil Gas & Consumable Fuels
Indian Oil Corporation Ltd.	Oil Gas & Consumable Fuels
JSW Energy Ltd.	Power
JSW Steel Ltd.	Metals & Mining
Jindal Steel & Power Ltd.	Metals & Mining

Company Name	Industry
NHPC Ltd.	Power
NMDC Ltd.	Metals & Mining
NTPC Ltd.	Power
Oil & Natural Gas Corporation Ltd.	Oil Gas & Consumable Fuels
PI Industries Ltd.	Chemicals
Pidilite Industries Ltd.	Chemicals
Reliance Industries Ltd.	Oil Gas & Consumable Fuels
SRF Ltd.	Chemicals
Shree Cement Ltd.	Construction Materials
Steel Authority of India Ltd.	Metals & Mining
Tata Power Co. Ltd.	Power
Tata Steel Ltd.	Metals & Mining
UPL Ltd.	Chemicals
UltraTech Cement Ltd.	Construction Materials
Vedanta Ltd.	Metals & Mining

Source: AMFI as on 31<sup>st</sup> Jan 2025. For details, please refer [www.niftyindices.com](http://www.niftyindices.com). The portfolio and its composition is subject to change and the same position may or may not be sustained in future. The above mentioned company names forms part of the Nifty Commodities Index as on 31<sup>st</sup> Jan 2025. 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).



# About Nifty Commodities Index

Nifty Commodities Index is designed to reflect the behavior and performance of a diversified portfolio of companies representing the commodities segment, which includes sectors like Oil, Petroleum Products, Cement, Power, Chemicals, Sugar, Metals, and Mining. The Nifty Commodities Index comprises 30 companies listed on the National Stock Exchange.

## Sector Representation

Sector	Weight(%)
Oil, Gas & Consumable Fuels	28.69
Metals & Mining	24.10
Power	20.40
Construction Materials	17.28
Chemicals	8.02
Capital Goods	1.52

## Fundamentals

P/E	P/B	Dividend Yield
18.17	2.11	2.37

## Top 10 Constituents By Weightage

Company's Name	Weight(%)
Reliance Industries Ltd.	10.57
NTPC Ltd.	8.56
UltraTech Cement Ltd.	7.31
Tata Steel Ltd.	6.23
Oil & Natural Gas Corporation Ltd.	5.68
Grasim Industries Ltd.	5.20
JSW Steel Ltd.	5.06
Coal India Ltd.	5.01
Hindalco Industries Ltd.	4.82
Vedanta Ltd.	4.18

Source: NSE. Data as on 31st Jan, 2025. Sector Classification has been considered for Sector Constituents. The portfolio and its composition is subject to change and the same position may or may not be sustained in future. The stocks/sectors mentioned do not constitute any kind of recommendation and are for information purpose only. The above Sector representation, fundamentals and constituents pertain to Kotak Nifty Commodities Index Fund. Kotak Mahindra Mutual Fund may or may not hold position in the mentioned stock(s)/sector(s). The performance of the index shown does not in any manner indicate the performance of the scheme. Kotak Mahindra Asset Management Company Limited (KMAMC) is not guaranteeing or promising any returns/futuristic returns. For detailed methodology, please refer [www.niftyindices.com](http://www.niftyindices.com) and the Scheme Information Document (SID) at <https://www.kotakmf.com/Information/forms-and-downloads>

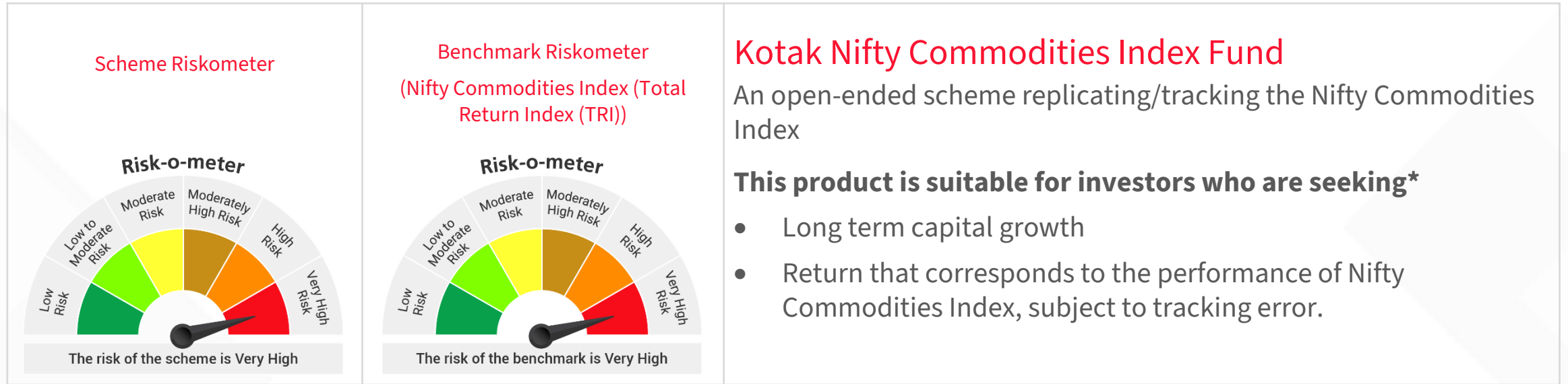


# Kotak Nifty Commodities Index Fund



Name of the Scheme	Kotak Nifty Commodities Index Fund
Category of Scheme	Other Schemes – Index Funds
Type of scheme	An open-ended scheme replicating/tracking the Nifty Commodities Index.
Investment Objective	The investment objective of the scheme is to provide returns that, before expenses, corresponding to the total returns of the securities as represented by the underlying index, subject to tracking errors. However, there is no assurance that the investment objective of the Scheme will be achieved
Benchmark	Nifty Commodities Index (Total Return Index (TRI))
Minimum Amount for Application in the NFO of scheme	Rs. 100/- and any amount thereafter <sup>^</sup>
Fund Manager(s)	Mr. Devender Singhal and Mr. Satish Dondapati will be the designated Fund Managers for the Scheme. Mr. Abhishek Bisen will be the Fund Manager for debt securities of the Scheme.

<sup>^</sup>Please refer to the Scheme Information Document (SID) of the scheme for complete details about minimum application amount for ongoing purchase. For detailed Asset allocation, please refer to Scheme Information Document (SID)



\*Investors should consult their financial advisors 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.

# Thank You