

NFO Period:

January 05, '24 – January 18, '24

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quant
CONSUMPTION
An open ended equity scheme following consumption theme **FUND**

Mathematics of human behavior



“

Consumption is the sole end and purpose of all production

”

– Adam Smith, Scottish Economist & Philosopher

quant[®]
CONSUMPTION
FUND

recent NFO's performance | VLRT – our risk mitigation framework in action

Fund	MuM (in crores)	Returns*											
		1 Month		2 Month		3 Month		4 Month		6 Month		Since Inception^	
		Fund	BM	Fund	BM	Fund	BM	Fund	BM	Fund	BM	Fund	BM
quant Dynamic Asset Allocation Fund (Allotment Date: Apr. 12, 2023)	485	9.10%	3.36%	17.98%	7.96%	18.29%	7.67%	20.11%	7.59%	27.49%	9.73%	52.11%	23.25%
quant Business Cycle Fund (Allotment Date: May. 30, 2023)	956	5.93%	5.92%	18.17%	15.00%	20.54%	14.30%	19.60%	13.93%	37.76%	18.57%	82.71%	44.04%
quant BFSI Fund (Allotment Date: Jun. 20, 2023)	281	8.86%	3.13%	19.64%	11.15%	19.24%	9.96%	17.88%	8.80%	34.49%	5.68%	85.63%	20.51%
quant Healthcare Fund (Allotment Date: Jul. 17, 2023)	203	7.21%	6.78%	20.92%	17.73%	19.60%	16.68%	19.47%	17.58%	N.A.	N.A.	66.23%	58.28%
quant Manufacturing Fund (Allotment Date: Aug. 14, 2023)	348	8.56%	5.32%	16.75%	15.44%	17.68%	14.75%	19.24%	11.91%	N.A.	N.A.	81.51%	43.33%
quant Teck Fund (Allotment Date: Sept. 11, 2023)	238	8.27%	4.62%	12.55%	10.95%	9.77%	8.80%	N.A.	N.A.	N.A.	N.A.	31.59%	25.43%
quant Momentum Fund (Allotment Date: Nov 20, 2023)	393	13.87%	5.92%	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	232.68%	136.84%

Note: Data as on January 04, '24 *Returns are of Regular Plan; ^Annualised Returns, MuM: money under management

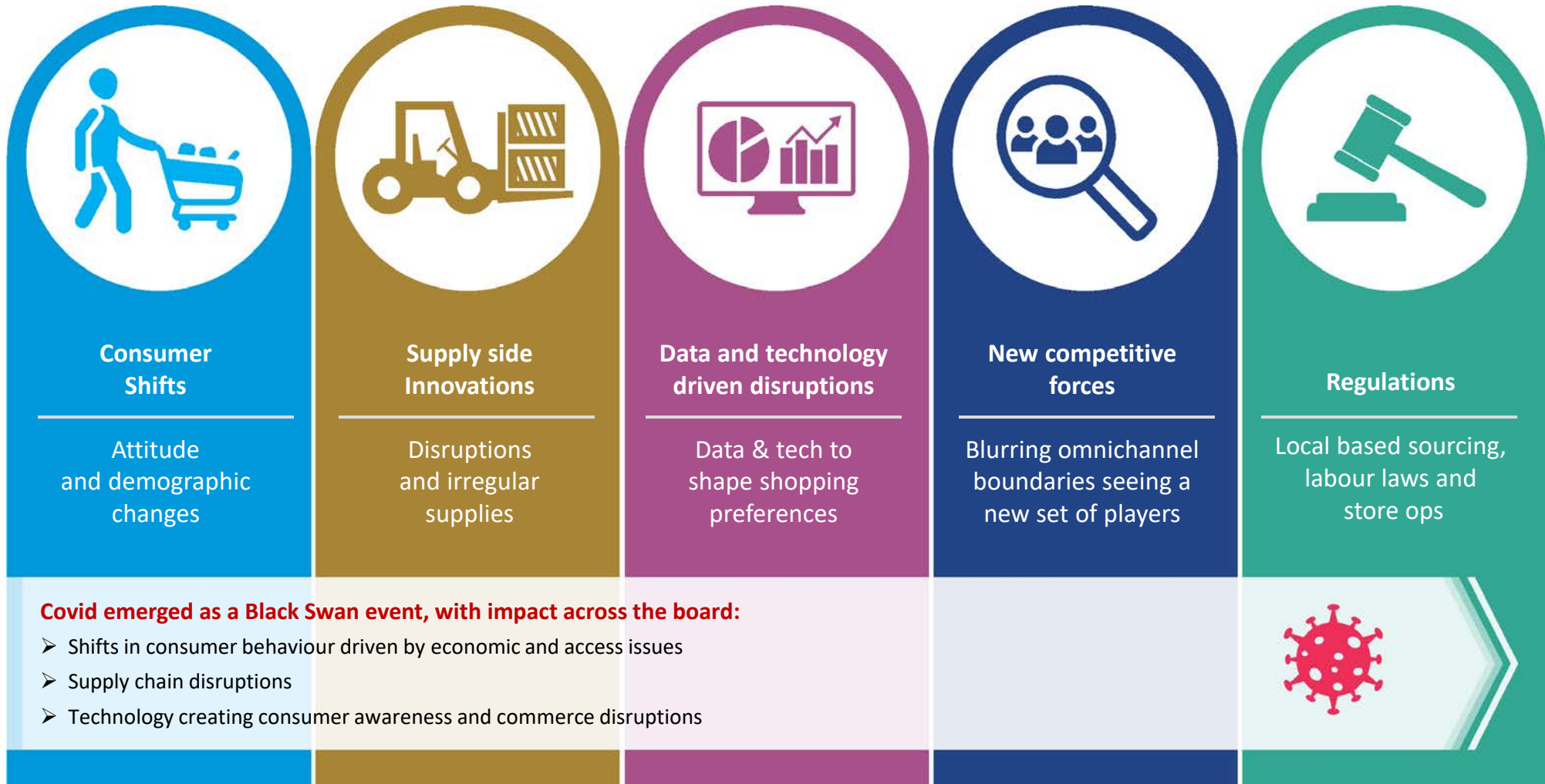
- The core innovation behind the VLRT Framework is the synthesis of various dimensions to identify inflexion points, long before the larger trend plays out and therefore at quant, we are inflexion point and cycles strategists, instead of momentum chasers. The difference in looking for inflexion points is that it allows us to position ourselves at the most opportune phases of the cyclical flow of markets
- Through our Predictive Analytics platform, our Cycles Analytics framework works to identify cycles of various lengths and amplitudes, across asset classes and the inter-linkages and overlaps of these multifarious cycles synthesized into the business cycle. Few months ago, as we launched the 'quant Business Cycle Fund,' the objective was to provide investors with a high risk appetite, a safe avenue through mutual funds to capitalise specifically on cycles
- We are today at an important juncture, as the VLRT multi-dimensional Framework clearly points out that a medium term bottoming of Risk Appetite is very near providing the impetus for a new business cycle and Liquidity Analytics are supportive for past many months. The last time the multi-dimensional variables of the VLRT framework were coming together to indicate such a turning point was in March-April 2020, post which there were strong resulting trends to the downside and upside, respectively
- The advantage of taking a position in inflexion points is that the risk-reward ratio is the most favorable, which makes a significant difference to risk-adjusted performance. At the confluence of various cycles, the mathematics of market patterns starts working in favor of dynamic money managers such as us
- As per the VLRT Framework, specifically the peaking of Volatility Expansion Phase 2018-23, and now as 2023 has passed, this phase will be remembered as the culmination of several cycles including the war, and financial crisis cycles and 2024 will be less volatile compared to past five years
- To ride this wave, and navigate through the resulting business cycle, we have launched series of thematic funds, which are strongly correlated with cyclical upturns; **quant Consumption Fund is one of the best opportunities to capitalise on the India growth story, as our Predictive Analytics is endorsing a structural uptrend and the consumption theme opportunity could span decades**



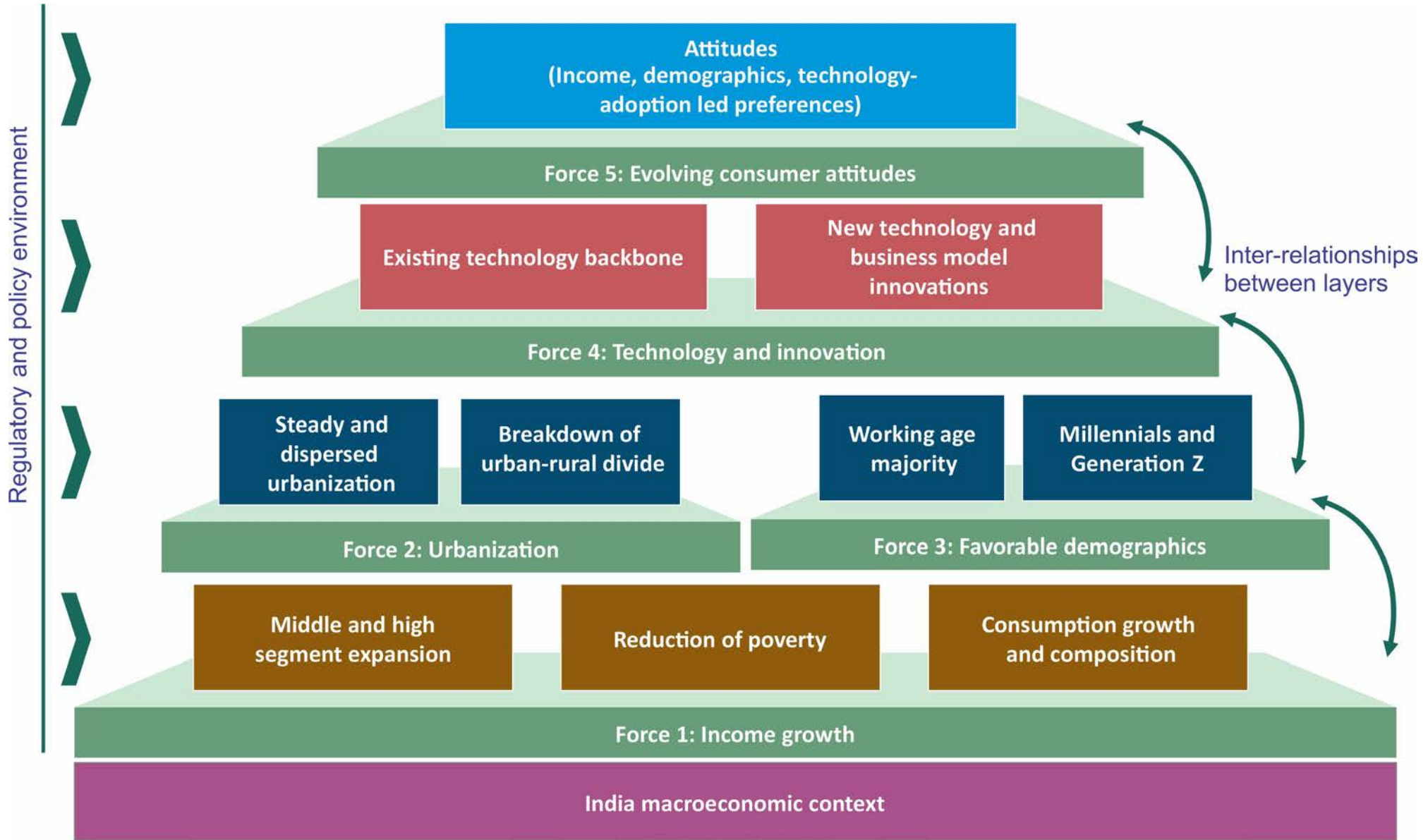
Quest for Quality: Despite the cost-of-living crisis consumers value quality over quantity and are re-evaluating their spending habits. Companies are investing in **high quality and premium offerings** to entice consumers and foster brand loyalty

Ethical Spending: Sustainability is at the forefront of decision-making. Ethical spenders buy from eco-friendly brands. Brands are **investing in sustainability and offering competitive pricing** to capitalize on the modern and socially conscious consumer

Trust in Data Sharing: Targeted ads and customized online content are no longer an irritant for consumers. Consumers want ads catered to their interests, location, and lifestyle preferences. Companies now develop **tailored campaigns as a powerful way to attract new customers**



- Consumption spend of Indian households has evolved over the last two decades with share of categories like **health, clothing and footwear increasing from basic categories like food**
- Many **new categories and channels of spending accelerated** during this time
- Covid-19 brought **changes in the spending patterns and long-term lifestyle of consumers**





Empowered Customers

Growing information empowers consumers in their decision making and they demand more value from products and services



Adaptive Models

To reach these demanding customers, companies are revamping sales and distribution channels and technology



Strategic Partnerships

Companies are driving growth, by importing knowledge and technologies through licensing and partnerships



Innovation Mind-set

Increasing awareness of consumers' needs, investing in R&D, and unlocking new solutions, new business models, and new approaches



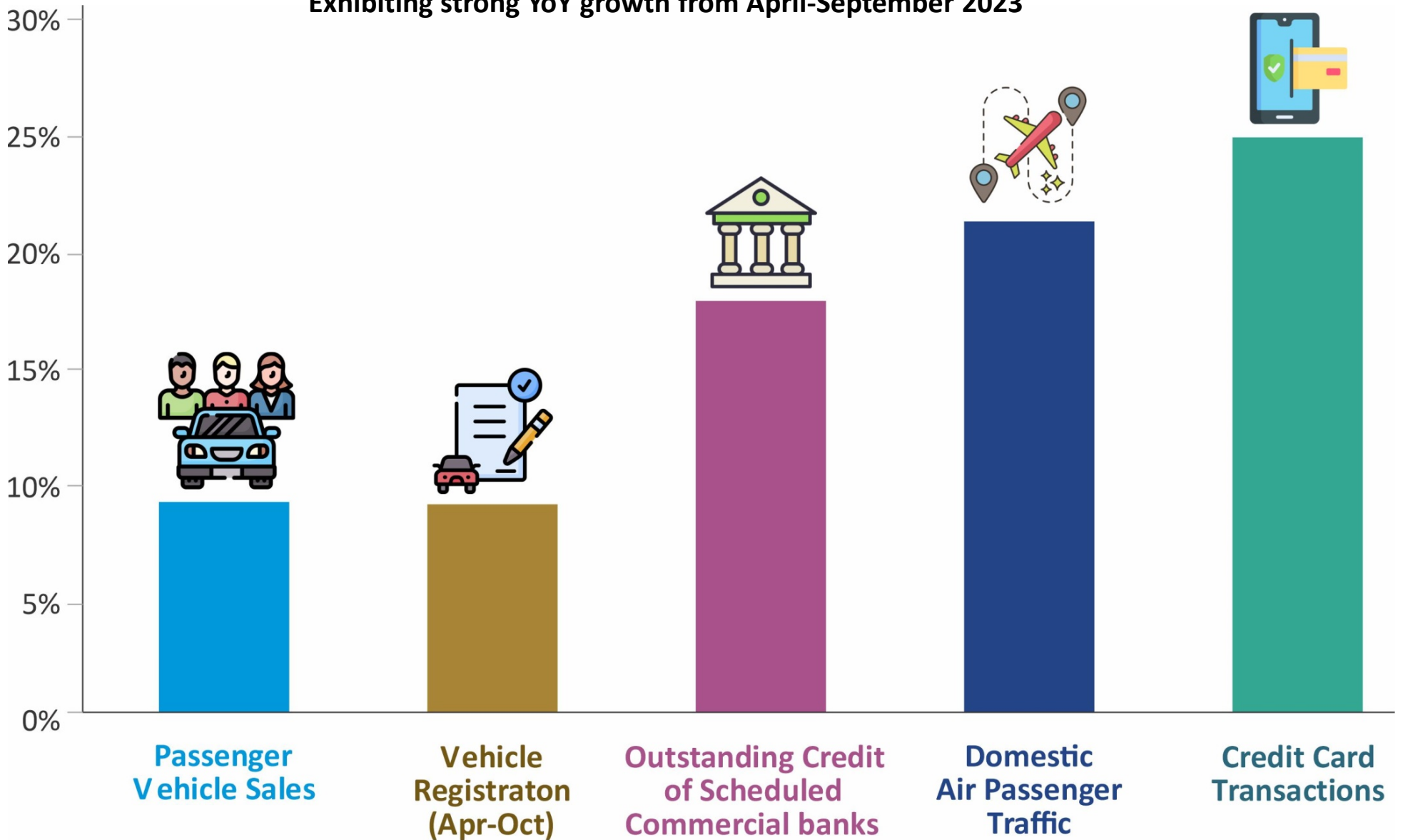
Increased Accountability

Alignment of top management and board with accountability for growth, integrity, sustainability and social impact as core values of the organisation

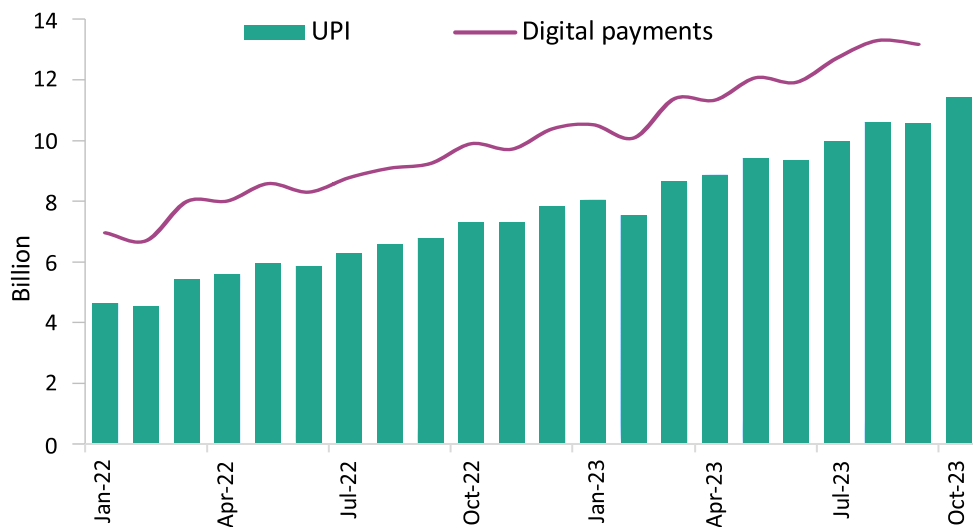


- **Burgeoning millennial population:** Higher spends on better experiences, quality products and reputed brands
- **Increasing women workforce:** Increase in family income and rise in discretionary spending
- **Growing wallet share:** Categories like personal grooming and personal gadgets are seeing increased consumers' wallet share
- **Growth of malls:** Rise in number of malls offering international and domestic brands
- **Growth of online markets:** Online retailers deliver to remote Tier III & IV markets creating awareness of acclaimed brands

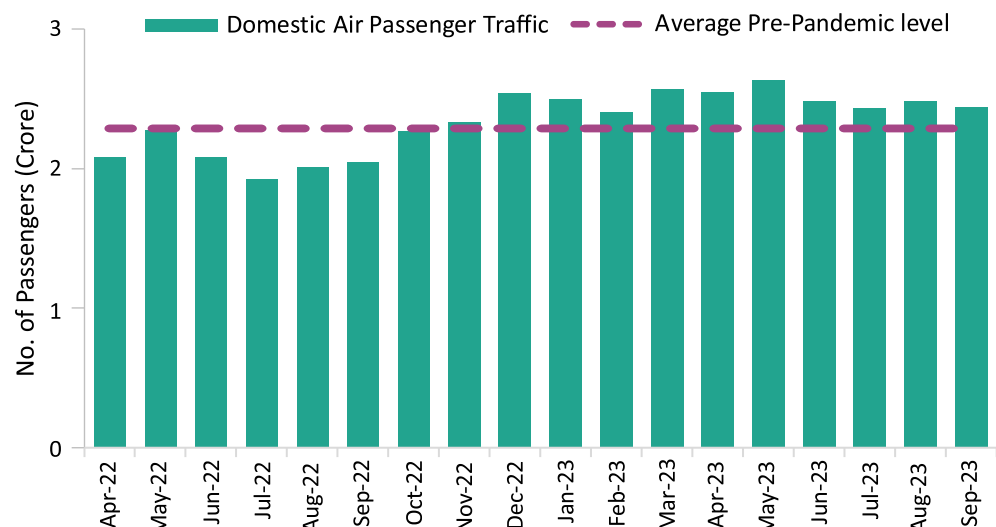
Exhibiting strong YoY growth from April-September 2023



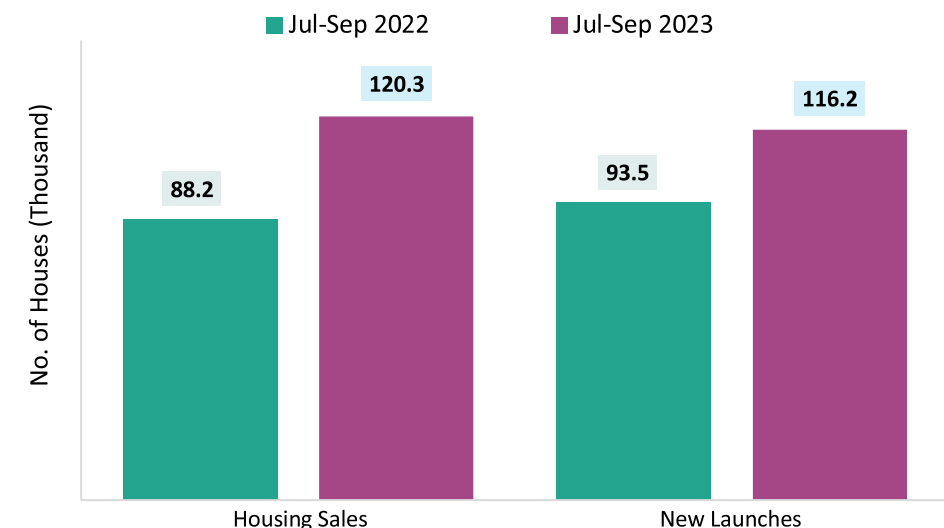
Rise in Digital Payments



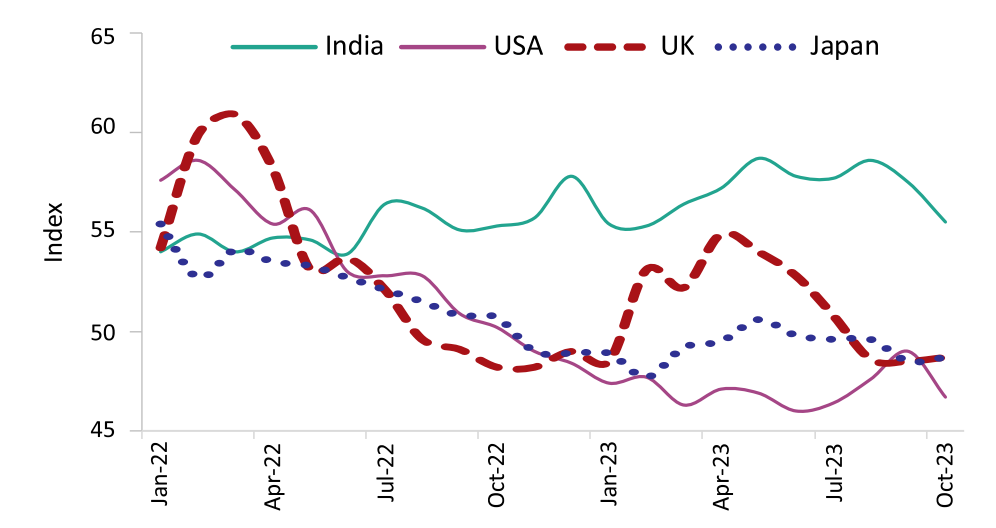
Increase in Domestic Air Passenger Traffic



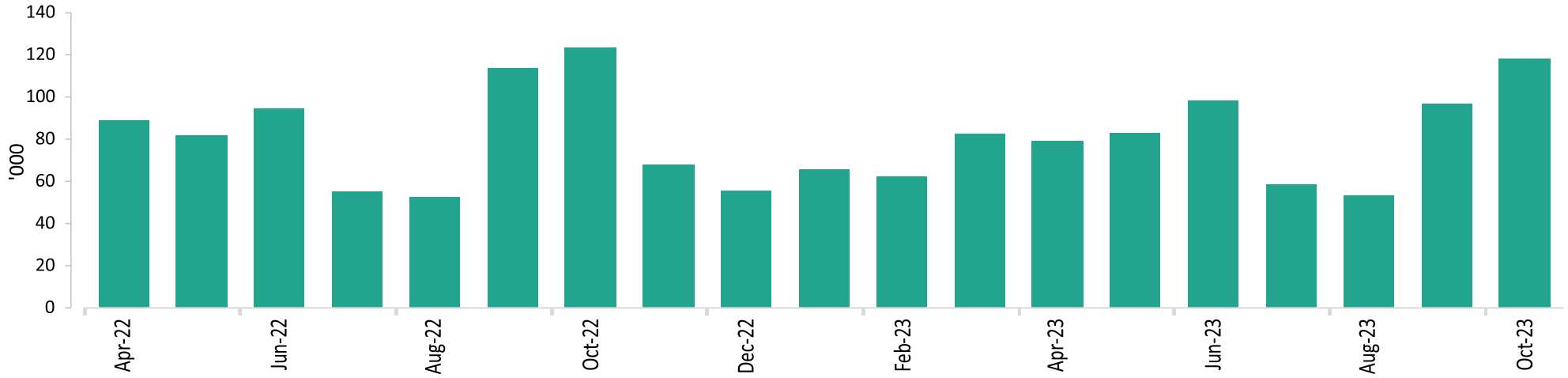
Increasing Housing Sales and Launches



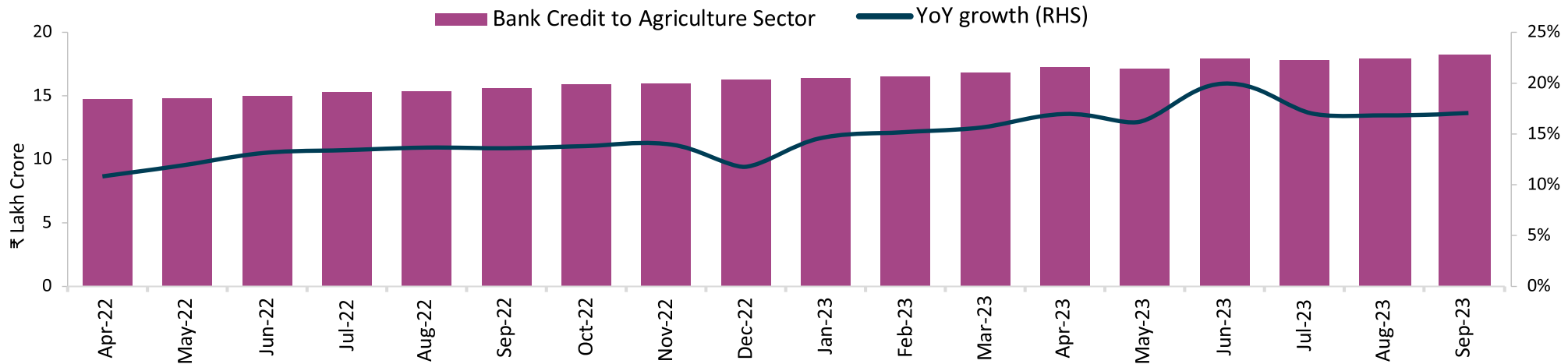
India's PMI Manufacturing was higher than that in major economies

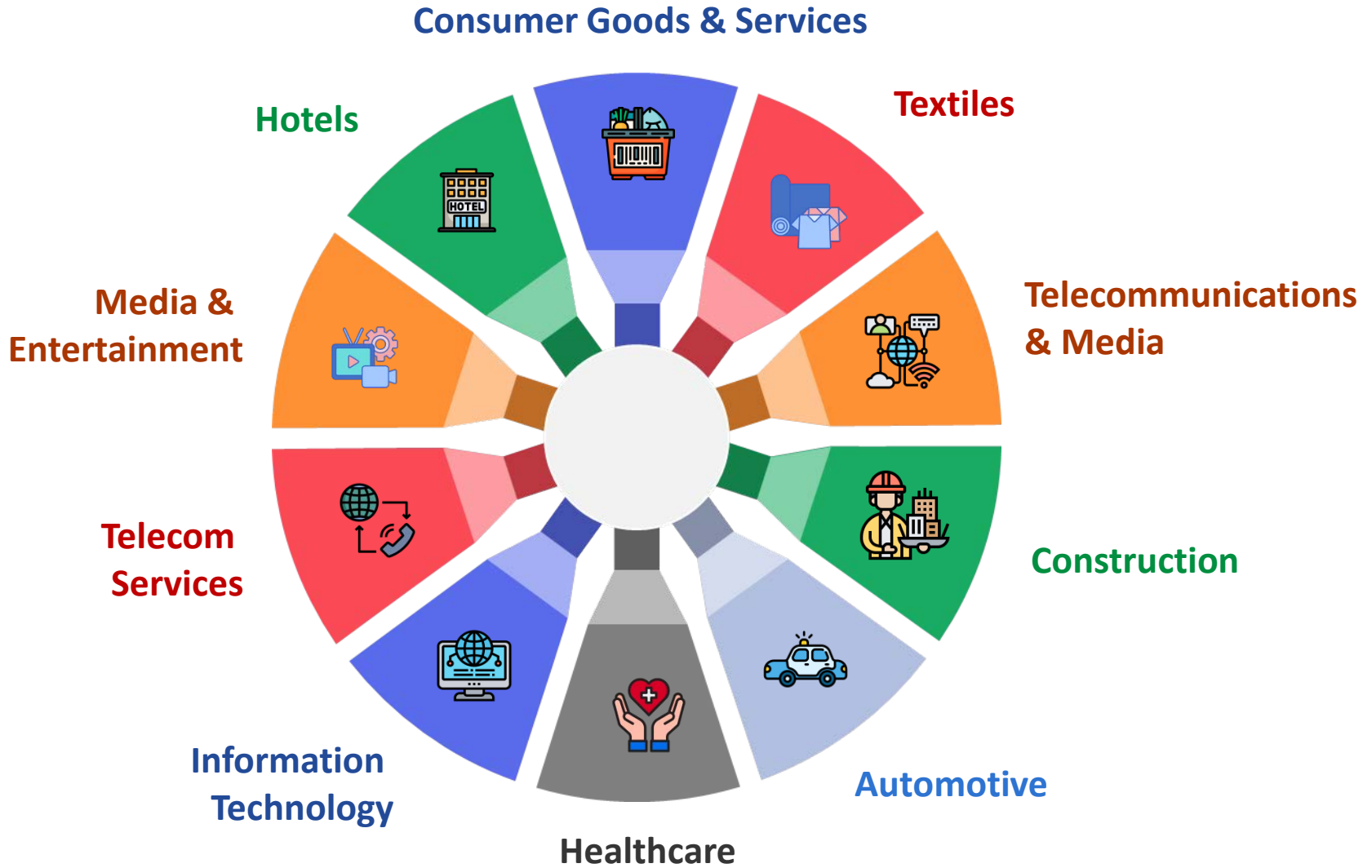


Rising Tractor Sales



Rising Bank Credit to Agriculture sector





The scheme will primarily invest in companies which benefit from the Indian consumption story. Since consumption is a multi-decade opportunity and is expected to play out for several decades to come, the fund aims to actively identify and invest in companies, which are most likely to benefit from increased consumer spending and affluence



Fund Positioning

- Fund objective is to benefit out of economic imbalances in markets and **participate in the cyclicality of sectors and stocks** to generate superior risk-adjusted returns, being **suitable for investors with a long term horizon**

Fund Strategy

- The scheme will tilt exposure to a select 6-8 consumption themes and **concentrate mostly on 3-4 core emerging themes** most of the time, that are expected to be on the cusp of a growth cycle, as evaluated through macro economic analytics and changing human behavioral patterns
- The scheme can **invest 80-100% in equity and related instruments of companies engaged in consumption led sectors; remaining 0-20% can be invested in other sectors, exploiting a range of investment opportunities within the concept of a focused portfolio**
- The business cycle approach is to identify sectors through our **Predictive Analytics model**, which provides a multi-dimensional framework of sector allocations across business cycles
- Through **Money Flow Analytics**, quant money managers will **invest in sectors and companies that are expected to benefit from the given phase of the economy**
- Maximum sector exposure will be capped at 33.33% purely from risk mitigation perspective
- Sector allocation will be **managed dynamically across market caps, providing another level of diversification**
- Our time trusted **risk-mitigation VLRT Framework and Predictive Analytics indicators will be used to dynamically manage the known risks and opportunities** across the portfolio



The Growth Story

With India poised to become the third-largest consumer market globally by 2030, investing in quant Consumption Fund emerges as a compelling opportunity. This offers a long-term horizon for investors and holds a unique advantage by straddling both cyclical and defensive sectors



Changing Dynamics and Consumer Behaviour

India's favourable demographics, increased women's participation in the workforce, and growing influence of technology and social media contribute to rising consumer spending. Aspirational Indians are now spending more, moving their consumption from unorganized to organized markets, favoring premium categories and often relying on credit. This presents a multi-decade investment opportunity



Riding the Prosperity Wave

As India's consumer market surges, your investment is in sync with the nation's economic highs offering a chance to ride the waves of prosperity. Our adaptive portfolio will be dynamically rebalanced as per our Cycles Analysis and will be continually exposed to emerging growth opportunities within the consumption space



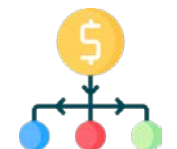
Aligned with Daily Choices

Your investments align with the daily preferences and habits of millions, tapping into the pulse of what people buy and use in their daily lives. As demand for goods and services increases, the price of those goods and services usually rises as well with a positive impact on the investments made in these companies



Top Performing Picks

The portfolio will consist of investments in some of the best companies driving India's consumption story. With a strategic focus on consumer-facing companies, the fund can potentially outperform offering a chance for your investment to stand out



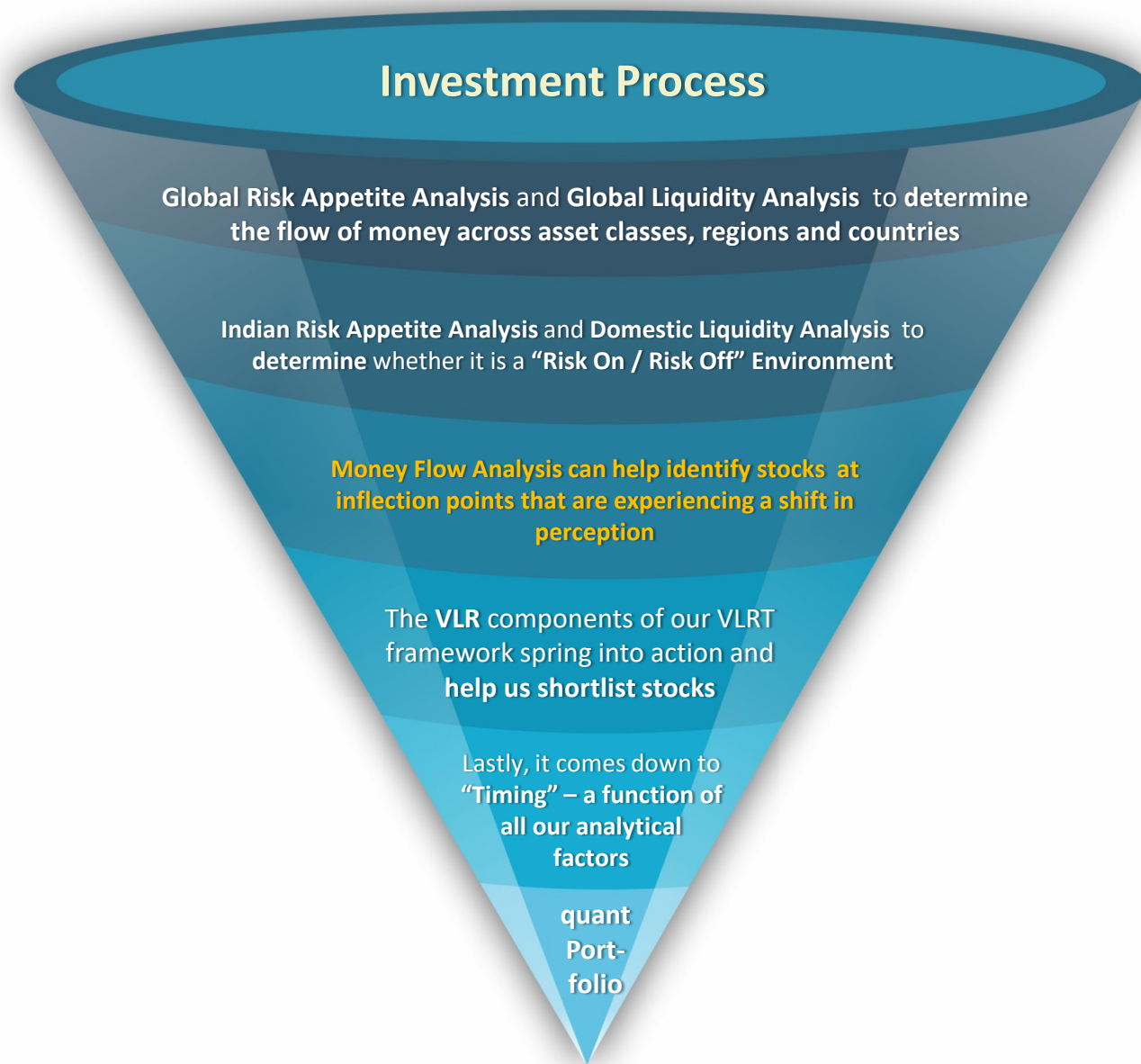
Opportunities for Diversification

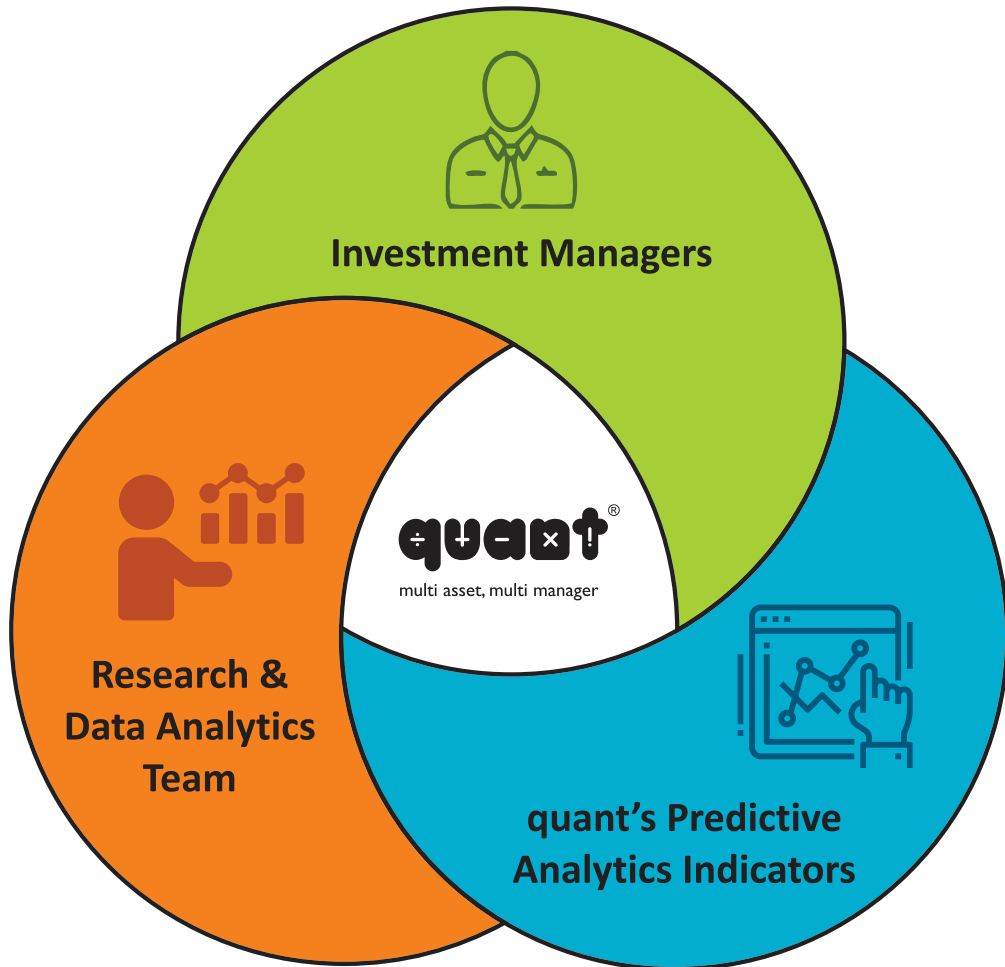
Even with a focus on specific consumption driven sectors, you enjoy a level of diversification within that sector, allowing for a balanced exposure to different consumer-driven industries

quant pursues global research with a focus on financial markets and the real economy which includes the real economy and leveraged economy. We place a large emphasis on the role of participants' behavior. This idea has evolved into a multi-dimensional research perspective which is now formulated in our VLRT framework.

In a dynamic world, it is not just a choice but a necessity to adopt a multi-dimensional approach

The world is becoming non-linear and parabolic and to stay relevant, money managers must think with an unconstrained mind, actively update their methods and earnestly search for absolute returns, considering all markets and asset classes





“Analysis Adds Up”

We believe safeguarding investor wealth is paramount. Apart from reducing risk by investing **across asset classes**, we take diversification to another dimension by ensuring every investment decision comes from a focused discussion between **investment managers, research analysts and analytics team – each with diverse sets of capabilities and experiences**

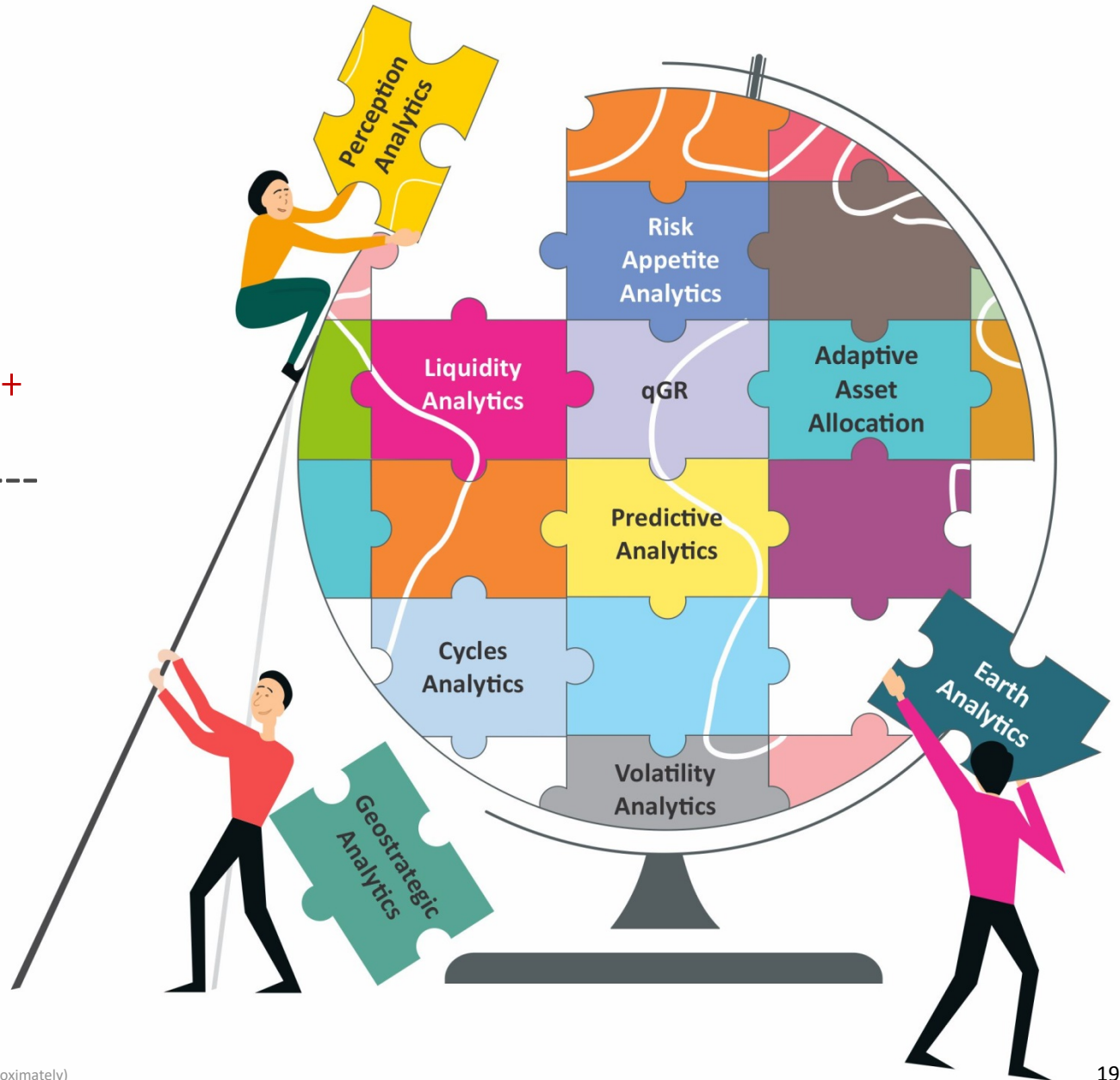
VLRT



DYNAMIC REBALANCING

MuM
Rs. 49,500 Crores⁺

Folios*
51 Lacs⁺



*Total folios and MuM (Money under Management) data as on January 04, '24, 2023 (approximately)

**Sandeep Tandon | Founder & Chief Investment Officer**

Sandeep is the founder & chief investment officer of the quant Group and has a vast experience of over 27 years in the capital markets. His journey in the money management business started in FY 1992-93 with GIC mutual fund (a JV partner with George Soros in India) where he was a trainee. He later joined IDBI Asset Management (now Principal Asset Management), where he was a founding member and was part of the core team that initialized the asset management business. He played a key role in devising, conceptualizing and marketing one of India's most successful mutual fund schemes: IDBI I-NITS 95. Furthermore, Sandeep worked in pivotal positions at several reputed financial services firms including ICICI Securities (a JV partner with J P Morgan in India), Kotak Securities (a J V partner with Goldman Sachs in India) and REFCO (erstwhile global derivatives firm). He has also worked at the Economic Times Research Bureau (a research wing of Bennett, Coleman and Company Limited)

Sandeep's credentials as a Global Macro Strategist are well established. He has channeled his vast experiences, interests and novel thinking into building the Predictive Analytics framework and the dynamic VLRT investment framework of the quant group. It is these frameworks coupled with his deep understanding of various asset classes at a global level, including, credit, commodities, equities and now digital currencies that enable Sandeep in definitive identification of market inflexion points and arrive at conclusive micro and macro calls.

Sandeep has a strong belief in quant Group's role as a knowledge partner in creating awareness about latest developments in investment philosophy and ideas, such as behavioral research. It is for this reason that he believes investor education is of utmost importance and the group, under his leadership, has undertaken many initiatives in this regard. Based on this belief Sandeep authored a book titled 'Being Relevant' which was published in May 2019. This book builds on research covering decades, even centuries of data points, distilled through quant's VLRT Framework and Predictive Analytics indicators. The book further outlines the potential trajectory for the world in the coming decades that can help money managers and investors prepare for volatile times which will upend the conventional analytical methods and beliefs of the past decades

**Ankit Pande, CFA | Money Manager**

Ankit has an experience of over 12 years in Indian equities and over 3 years in software products. He started his career in core banking software with Infosys' Finacle, nurturing the product with large banking clients in APAC and small and mid-sized banks in India. He then moved in to equity research, along the way picking up the (U.S. based) CFA charter and a masters in business administration from The Chinese University of Hong Kong in 2017, being placed on the school's Dean List. He won the Thomson Reuters StarMine Award for best stock picker in the IT sector in 2014 and is a lifetime member of the Beta Gamma Sigma academic honour society. Over 2015-2019, Ankit ventured into seed stage fund raising, equity sales & relationship management in APAC. In his spare time, Ankit likes to read books on business cycle theory, macroeconomics & geopolitics

**Sanjeev Sharma | Money Manager**

Sanjeev brings along a rich and diverse experience in the Capital Markets of over 18 years to his role of a Money Manager. He has obtained an M.Com, PG Diploma in Business Administration (Finance) and Certified Treasury Manager (Forex & Risk Management). He has been associated with various schemes of quant mutual fund since 2005. Sanjeev specializes in analysis of credit risk and is responsible for monitoring and assessing investment opportunities across asset classes. He has a deep understanding of macroeconomic policies and its impact on the credit markets. Over the years, Sanjeev has built formidable relationships with key treasurers in the industry. In his spare time, Sanjeev enjoys reading, listening to music and traveling

**Vasav Sahgal, CFA | Money Manager**

Vasav is one of the youngest and most dynamic top rated Money Manager in the Mutual fund Industry. After clearing 3 levels of the CFA program, he started his journey with the quant Group as an investment analyst for equity as well as fixed income instruments. On a day to day basis, he is primarily responsible for equity asset allocation and credit research. Vasav is passionate about developing models using coding and has been deploying advanced data analytics in python for improved valuation analytics. Given his role, Vasav is the embodiment of our strategy – Adaptive Asset Allocation. In his spare time, Vasav enjoys drumming and reading financial literature extensively

NFO Period	New Fund Offer Opens on: January 05, '24 New Fund Offer Closes on: January 18, '24
Allotment & Subscriptions	Allotment date: January 24, '24 Open for subscriptions: January 25, '24
Investment Objective	The primary investment objective of the scheme is to generate capital appreciation & provide long-term growth opportunities by investing in a portfolio of Consumption driven companies. There is no assurance that the investment objective of the Scheme will be realized.
Benchmark Index	S&P BSE Consumer Discretionary Goods & Services Index TRI
Investment Category	An open ended equity scheme following consumption theme
Plans Available	quant Consumption Fund – Growth Option – Direct & Regular quant Consumption Fund – Income Distribution cum Capital Withdrawal Option (Payout & Re-investment facility)– Direct & Regular
Entry Load	Nil
Exit Load	1% for 15 days
Fund Managers	Mr. Ankit Pande Mr. Sanjeev Sharma Mr. Vasav Sahgal
Minimum Application	Purchase: Rs.5,000/- plus in multiple of Re.1 thereafter
Amount during the NFO and onwards	Additional Purchase: Rs. 1,000/- and in multiples of Rs. 1/- thereafter Repurchase: Rs. 1,000/-
Systematic Investment Plan (SIP)	Rs. 1000/- and multiple of Re. 1/-
Switches	Switch-in requests from equity schemes and other schemes will be accepted up to January 18, '24 till the cut-off time applicable for switches
Bank Details	Account Name: QUANT CONSUMPTION FUND Account Number: 57500001388004 IFSC Code: HDFC0000060, Branch: HDFC Bank, Fort, Mumbai 400001
RTGS and Transfer	Till the end of business hours on: January 18, '24
MICR	Till the end of business hours on: January 18, '24

<p>This product is suitable for investors who are seeking*:</p>	<p>Scheme Riskometer</p>	<p>Benchmark Riskometer</p>
<ul style="list-style-type: none"> To generate long term capital appreciation An equity scheme that predominantly invests in equity and equity related securities of companies benefiting directly or indirectly from consumption led demand in India. 	<p>Investors understand that their principal will be at moderately high risk.</p>	<p>Investors understand that their principal will be at moderately high risk.</p>
<p>*Investors should consult their financial advisors if in doubt about whether the product is suitable for them</p>		

LINKS		
<p>Scheme Information Document Click here</p>	<p>NFO Application Form Click here</p>	<p>quant Mutual Fund Website Click here</p>

ALSO AVAILABLE ON			

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