

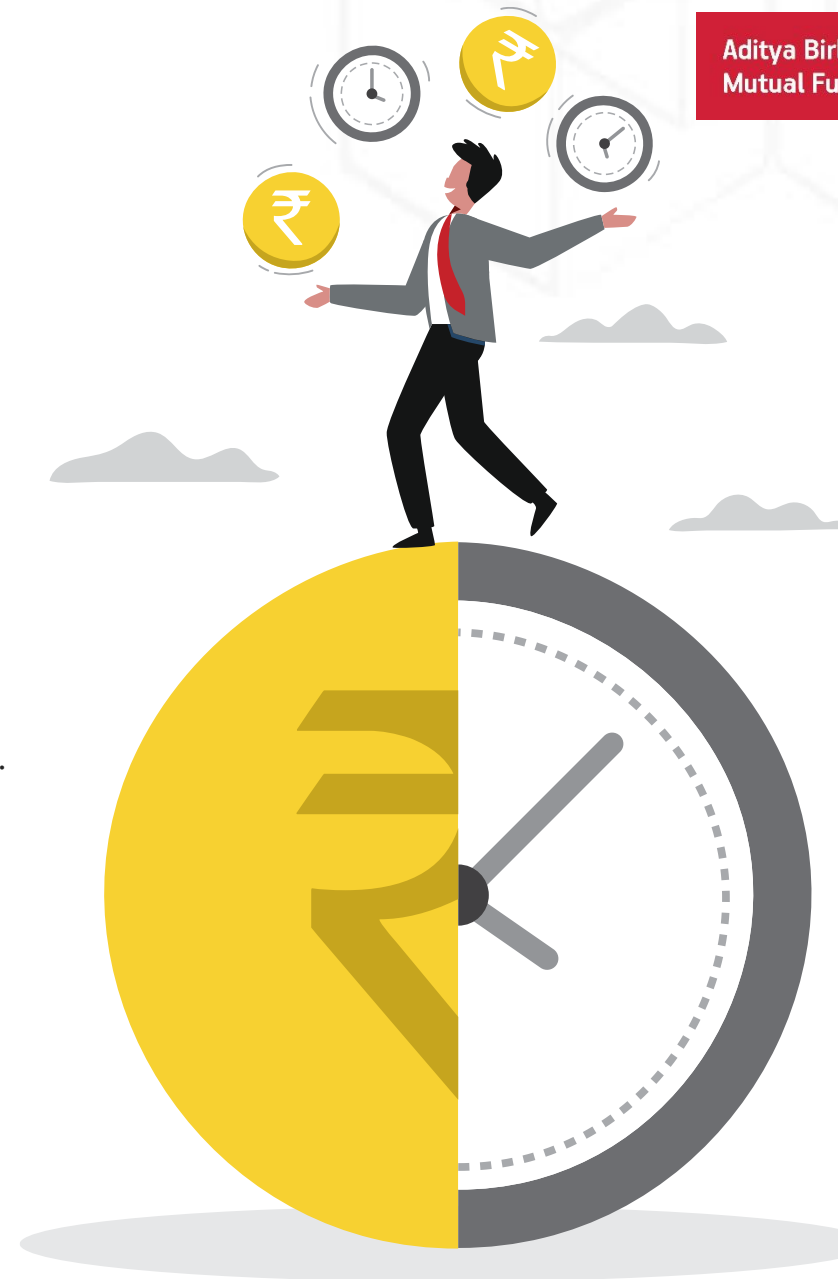
Aditya Birla Sun Life

CRISIL Overnight Fund AI Index ETF

(An open-ended exchange traded fund replicating the CRISIL Overnight Fund AI Index.
A relatively low interest rate risk and relatively low credit risk.)

NFO Opens on Friday, March 03, 2023

NFO Closes on Friday, March 10, 2023



Cash in portfolio empowers investors to grab **investing** and **trading opportunities** in a timely manner

BUT

To maintain liquidity and time the market opportunity, investors often tend to **keep excess cash lying idle in their trading accounts**, which often leads to:



Potential loss of earning overnight returns on idle cash in the trading account

LOST OPPORTUNITY COST



Posting and withdrawing margins for the trades are inconvenient and time consuming

LIQUIDATION HASSLE



Additional trades placed to earn extra returns on idle cash

BEHAVIOURAL INVESTING

Investors would need to offset the power of cash liquidity against its shortcoming

About Overnight ETFs

- A short-term, open ended debt ETF
- Passively managed investment
- Offers liquidity along with overnight risk-free returns

Where do they invest?

- Primarily invests in TREPS
- Securities maturing in 1 day

Key Features

PAR VALUE

Face value of ETF remain **constant** at INR 1,000

SERVES AS COLLATERAL

Securities invested in are **marginable securities**
Hence, units of Overnight ETF can be used as **collateral for trading margin (~90-92%)***

DIVIDEND ACCRUAL

From the settlement day, IDCW starts getting accrued on a daily basis and are deposited in separate pool account
All the IDCW amount accrued till the pay out day is distributed on weekly basis directly to the investors bank account

NO RISK

Low price risk and low credit risk

* Note – Trading margin % would be based on broker's policy. IDCW – Income distribution cum capital withdrawal

How does an Overnight ETF work? (T+1 Settlement)



Conventional trading

T+0

Sell order of shares

T+1

(Settlement day)

Shares get debited from demat account and proceeds are credited to trading account

Cash remains in trading account or can be withdrawn to bank

FOR BUY ORDER

Use cash balance or transfer amount back to trading account

LIQUIDITY but NO RETURNS



Opting for Overnight ETFs instead

Sell order of shares + Buy order of equivalent value in Overnight ETF units

Shares get debited from demat account and Overnight ETF units get credited to demat account instead of cash*

Earn returns in the form of IDCW* (from the day of settlement) and units can be used as collateral if required for margin requirement

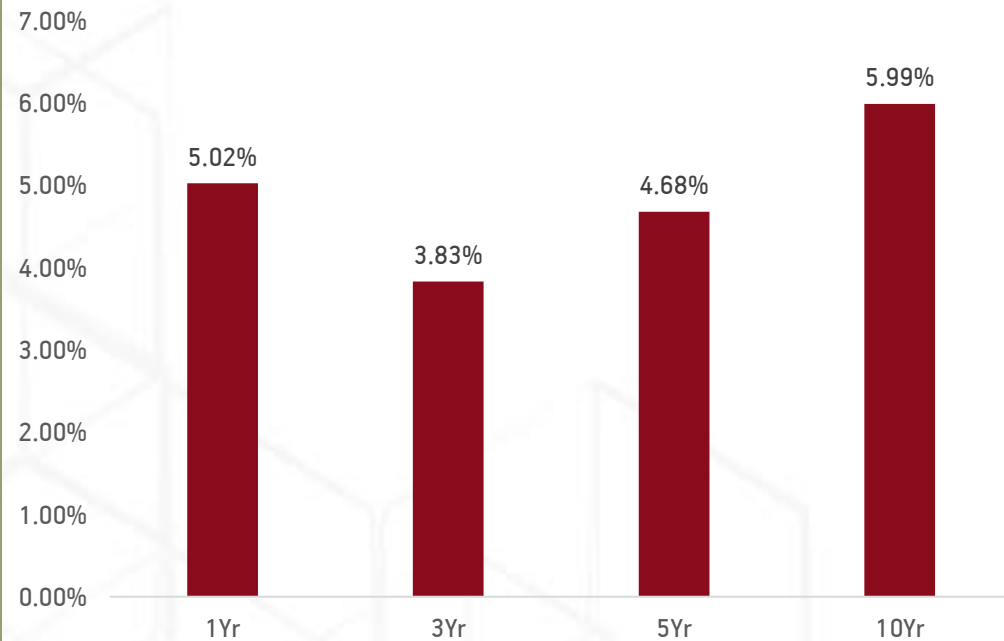
Simultaneous sale of Overnight ETF unit and buy order - set off against each other*

Commensurate LIQUIDITY + BENEFIT OF RETURNS

***Fund Note:** For any simultaneous Buy/Sell transaction of shares with Overnight ETF, the net off for the cash obligation generated, would be different for every investor and would depend on broker's policy for margin allowed on the security. IDCW will be completely dependent on availability of distributable surplus

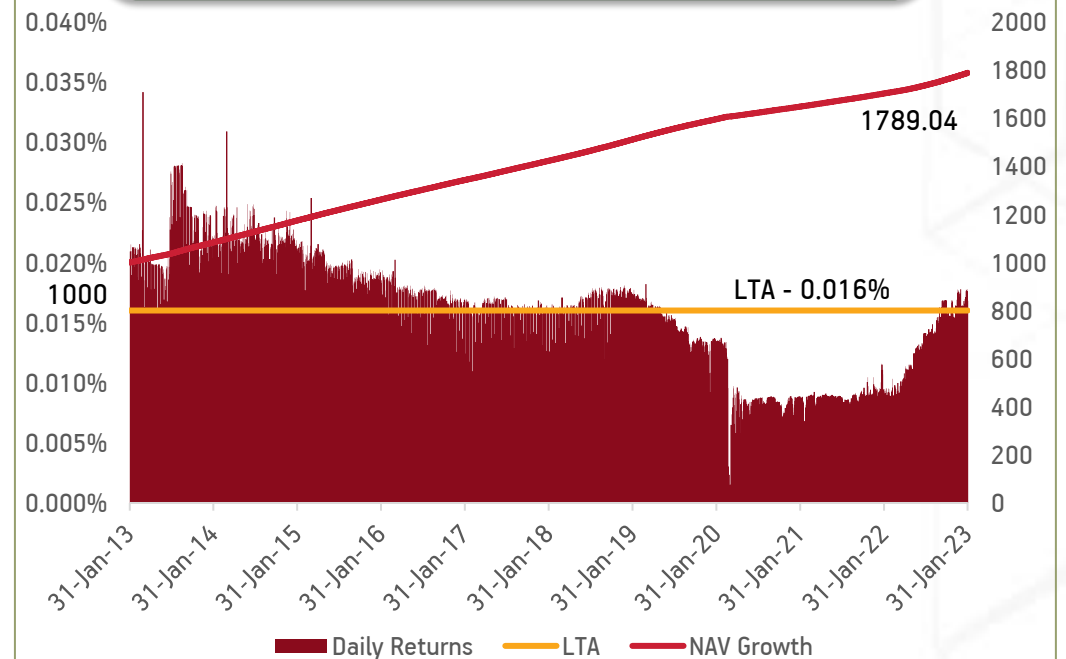
Overnight ETFs have generated relatively higher returns than traditional savings accounts and zero-interest trading accounts

Historical Rolling Returns



Index has maintained reasonable returns across all time periods

Daily returns and NAV growth



Consistent positive returns over the 10 year period

Source: Performance data of CRISIL Overnight Fund AI Index; considered till 31st January 2023. NAV return graph (Graph 2) is based on growth model and the same is only for graphical representation and are compounded returns. Past performance may or may not be sustained in the future

Introducing

Aditya Birla Sun Life

CRISIL Overnight Fund AI Index ETF

(An open-ended exchange traded fund replicating the CRISIL Overnight Fund AI Index.
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**Effective & Efficient
Cash Management of your Portfolio**



Constituents

100% investments in
TREPS



What are TREPS?

TREPS are Triparty Repo securities traded on the platform provided by CCDS which aids the borrowing and lending of funds against eligible collateral as per the Triparty Repo arrangement



Risk profile

- Low credit risk
- Low interest rate risk



Index Inception

September 2003



Valuation

Index portfolio is marked-to-market on a daily basis by incorporating weighted average TREPS rate as published by CCIL

Why invest in Aditya Birla Sun Life CRISIL Overnight Fund AI Index ETF?

Aditya Birla Sun Life
Mutual Fund



Better Returns

Higher rolling returns as compared to zero returns in trading accounts and the returns earned from traditional savings instruments



High Quality Portfolio

Investment in high quality money market securities (TREPS) backed by a collateral



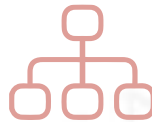
High Liquidity

High liquidity due to trading on stock exchanges and the units can also be used as collateral for margin requirement at ~8-10% haircut



Investing Convenience

Saves time and effort for movement of funds from the bank account



Load Structure

No entry and exit load charge



No Loss of Return on Holiday

IDCW get accrued daily on the amount invested. IDCW will also accrue on weekends.



No STT

Lowering cost of trade

Scheme	Aditya Birla Sun Life CRISIL Overnight Fund AI Index ETF			
Structure	An open-ended Exchange Traded Fund replicating the CRISIL Overnight Fund AI Index. A relatively low interest rate risk and relatively low credit risk			
Investment Objective	The investment objective of the Scheme is to generate returns corresponding to the total returns of the securities as represented by the CRISIL Overnight Fund AI Index before expenses, subject to tracking errors. The Scheme does not guarantee/indicate any returns. There can be no assurance or guarantee that the investment objective of the Scheme will be achieved.			
Asset Allocation (as a % of net assets)	Instrument	Normal Allocation (% of total Assets)		Risk Profile
		Minimum	Maximum	
		95%	100%	Low
		0%	5%	Low
Fund Manager	Mr. Sanjay Pawar and Mrs. Sunaina Dacunha			
Minimum Application Amount	Rs. 5000 and in multiple of Rs. 1000 thereafter during the New Fund Offer period			
Pricing per unit	Rs. 1000 per unit			
Market Makers	Cholamandalam Investment and Finance Co., East India securities ltd			
Creation size	100 units and multiples thereof			
Benchmark	CRISIL Overnight Fund AI Index			

Note: For details, refer SID/KIM of the scheme.

Aditya Birla Sun Life CRISIL Overnight Fund AI Index ETF

(An open-ended Exchange Traded Fund replicating the CRISIL Overnight Fund AI Index.

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This product is suitable for investors who are seeking*:	Riskometer	Benchmark Riskometer CRISIL Overnight Fund AI Index	Potential Risk Class			
			Credit Risk of Scheme ➡	Relatively Low (Class A)	Moderate (Class B)	Relatively High (Class C)
			Interest Rate Risk of Scheme ↓			
			Relatively Low (Class I)	A-I		
			Moderate (Class II)			
			Relatively High (Class III)			

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

The product labelling assigned during the NFO is based on internal assessment of the Scheme characteristics or model portfolio and the same may vary post NFO when the actual investments are made.

Past performance may or may not be sustained in the future. For more details, please refer the SID / KIM of the scheme.

Issuer(s) / Bond(s) mentioned above are for the purpose of disclosure of the portfolio of the Scheme(s) and should not be construed as recommendation. The fund manager(s) may or may not choose to hold the bond mentioned, from time to time.

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

Annexures

Overnight ETF Return & Standard Deviation

Time period	Overnight ETF Returns (Average pa %)	Std Deviation (Average %)
1 Week	6.40	0.11
1 Month	6.18	0.20
3 Month	6.05	0.28
1 year	4.90	1.05

Comparative returns under Overnight ETF & Traditional Savings Account. Returns on invested amount of ₹10,00,000

Time period	Overnight ETF returns (₹)	Saving Account returns (₹)
1 Week	1,227	576
1 Month	5,256	2,500
3 Month	15,374	7,500
1 year	50,222	30,000

Opportunity to earn additional returns on funds invested over Weekends

Returns on invested amount of ₹10,00,000

Time period	Overnight ETF Returns Based on 365 days	Overnight ETF Returns Based on Weekday returns	Additional Weekend Returns	Return
1 year	₹50,222	₹35,631	₹14,591	1.45%

- Dividends are also earned on weekends improving the total return by ~ 1.45% pa. which amounts to approx. ₹ 14,591
- Consistent positive and risk-free returns are earned on a daily basis

Disclosure - Overnight ETF returns are gross returns before expense and tax. Saving rate is considered at 3% which is the median of top 4 Private. Banks of India. The calculations provided above are based on assumed Rate of return and are meant for illustration purpose only

How does the scheme operate - Illustration

- Monday - Investor X enters into a BUY Trade for Overnight ETF for 100 units @ Rs. 1000 each
- Friday – Investor X SELL all 100 units @ Rs. 1000 each
- Buy and Sell would happen at Par value resulting in no Capital gains on the transaction

