

Aditya Birla Sun Life

Transportation and Logistics Fund

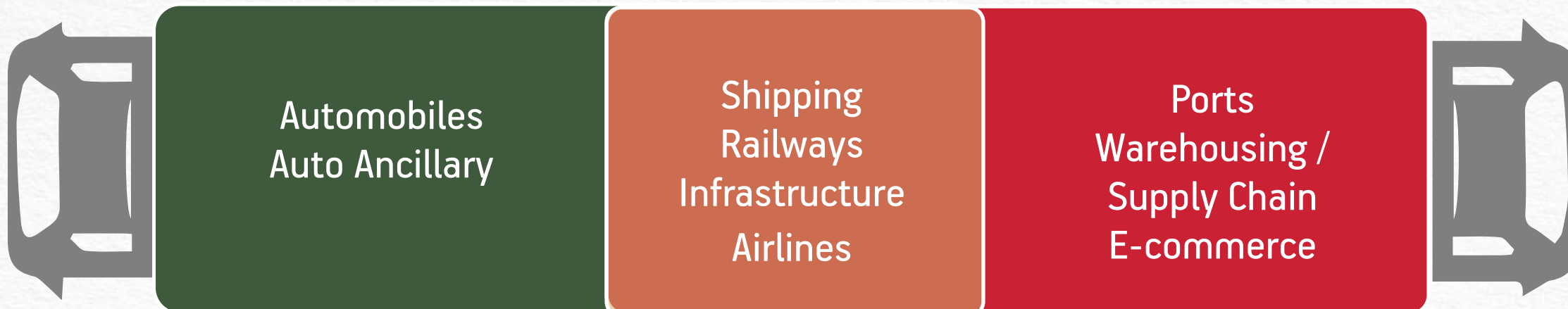
The Pathway to India's
Fast Track Growth

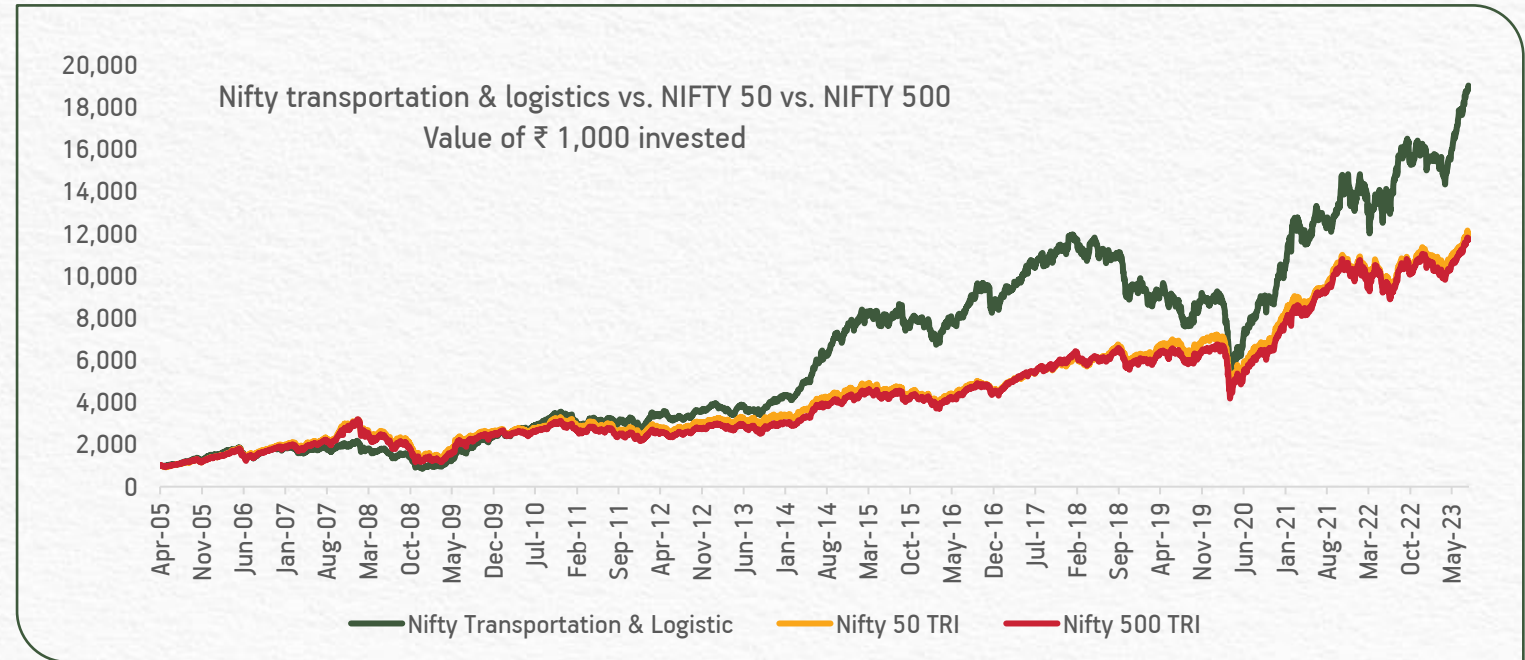
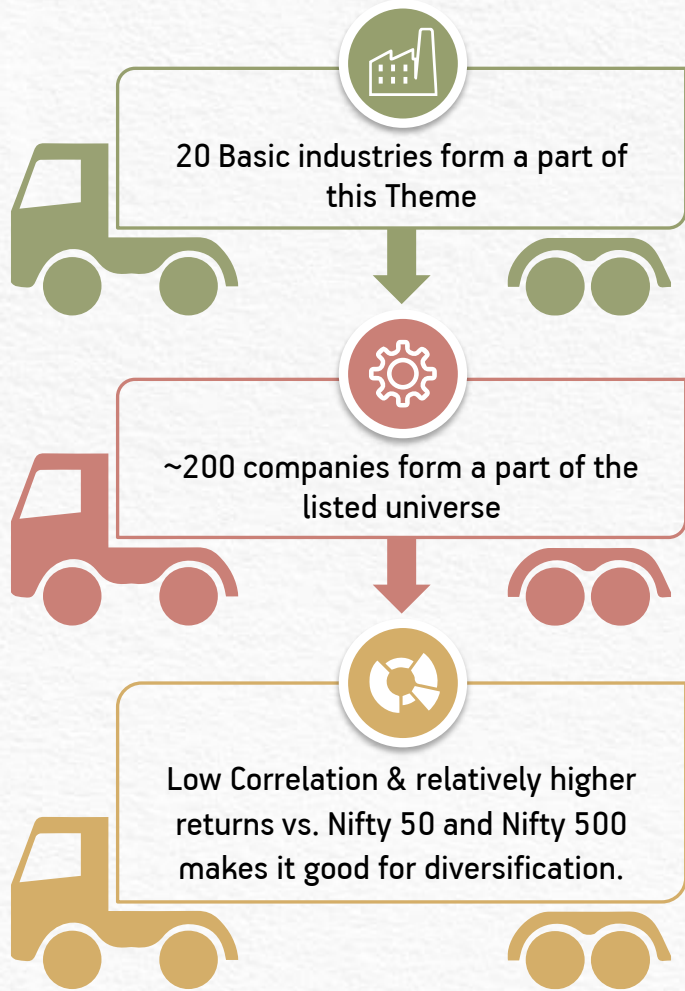
NFO Opens: October 27, 2023 | NFO Closes: November 10, 2023



Transportation

Logistics

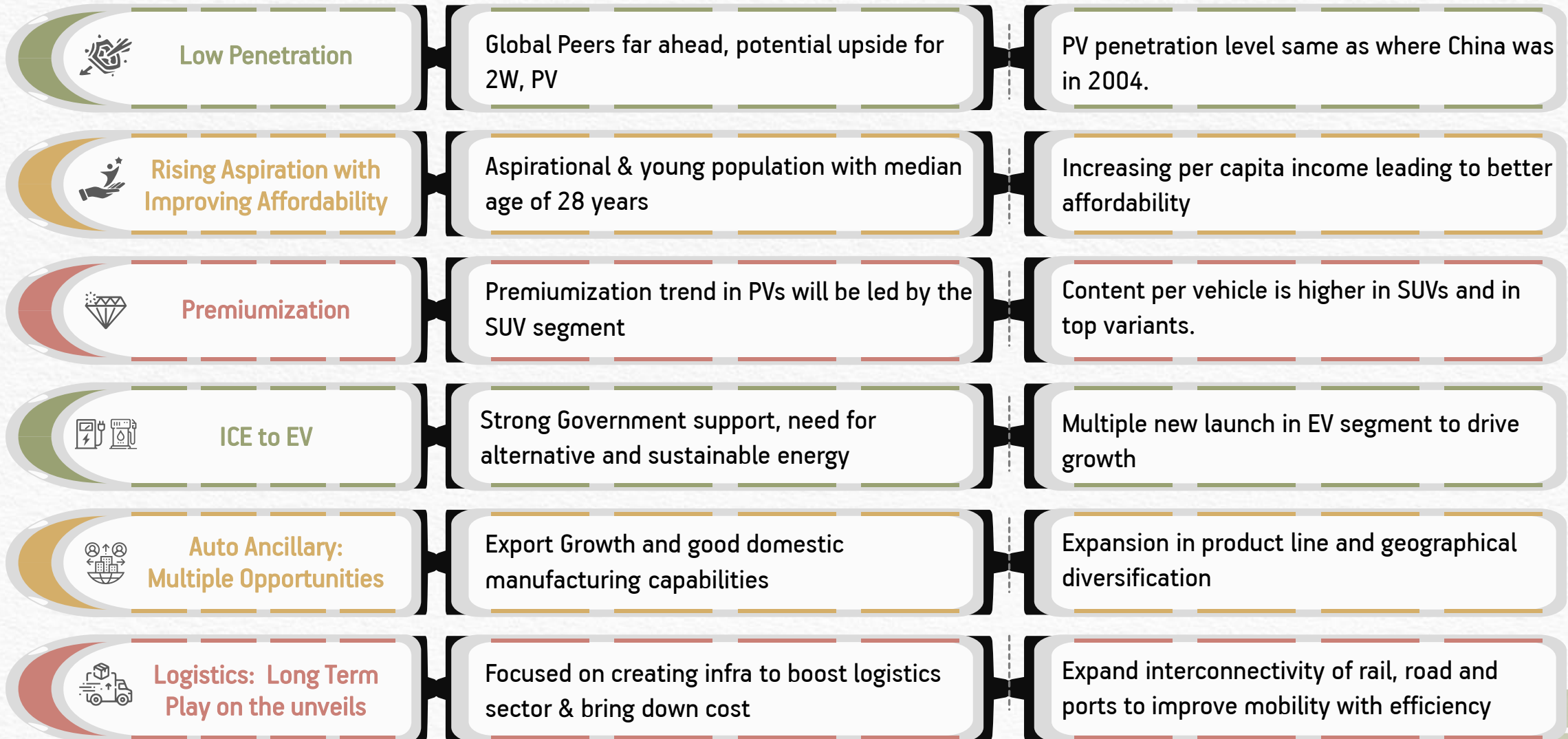




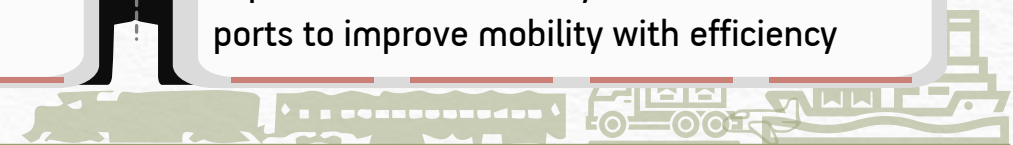
Since Inception	NIFTY Transportation & Logistics	NIFTY 50 TRI	NIFTY 500 TRI
Growth of ₹1,000 invested	19,240	11,734	11,756
CAGR (%)	17.41%	14.30%	14.31%

Source: NSE. Data is from the date of inception of NSE Transportation & Logistics index 1-Apr-2005. Past performance may or may not be sustained in future.





Source: J.P. Morgan and SIAM

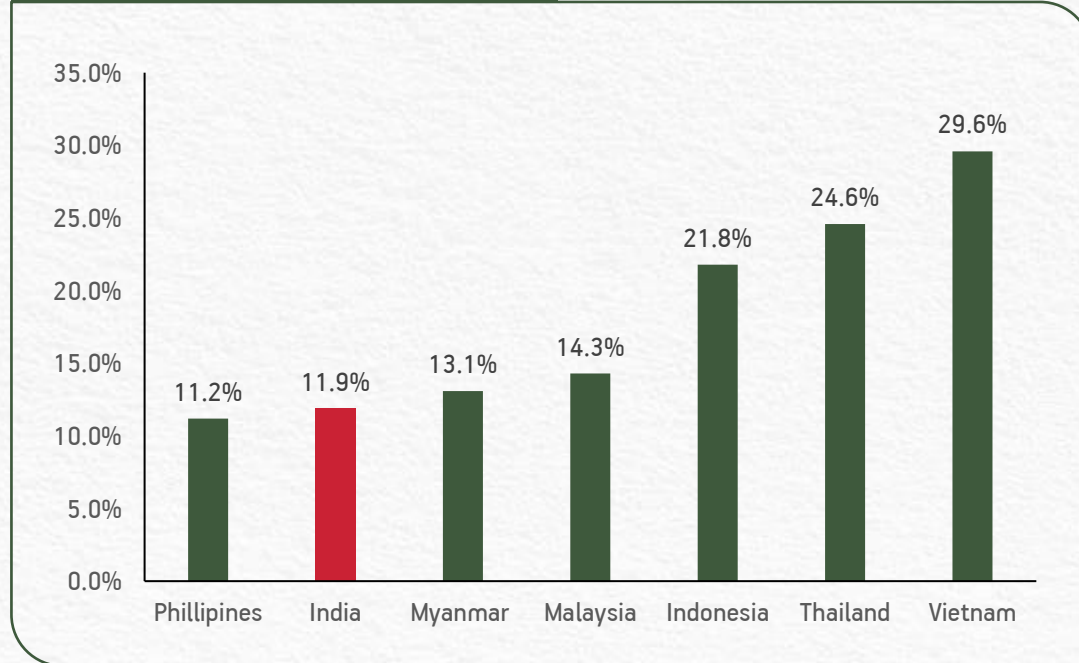




Investment Thesis For Transportation & Logistics Theme

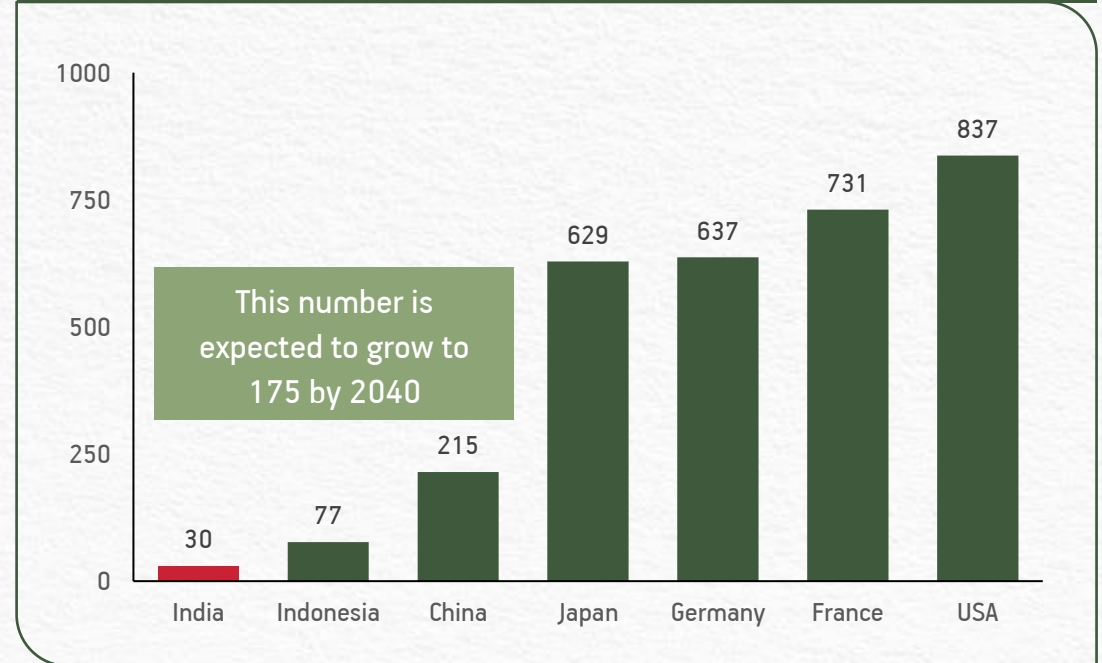


2W penetration levels, CY2022



Penetration of 2-Wheelers low compared to Asian Peers. Volume growth to be driven by Rural India 8% CAGR (2023-2036). Premiumization set to grow increase in 2-Wheeler segment.

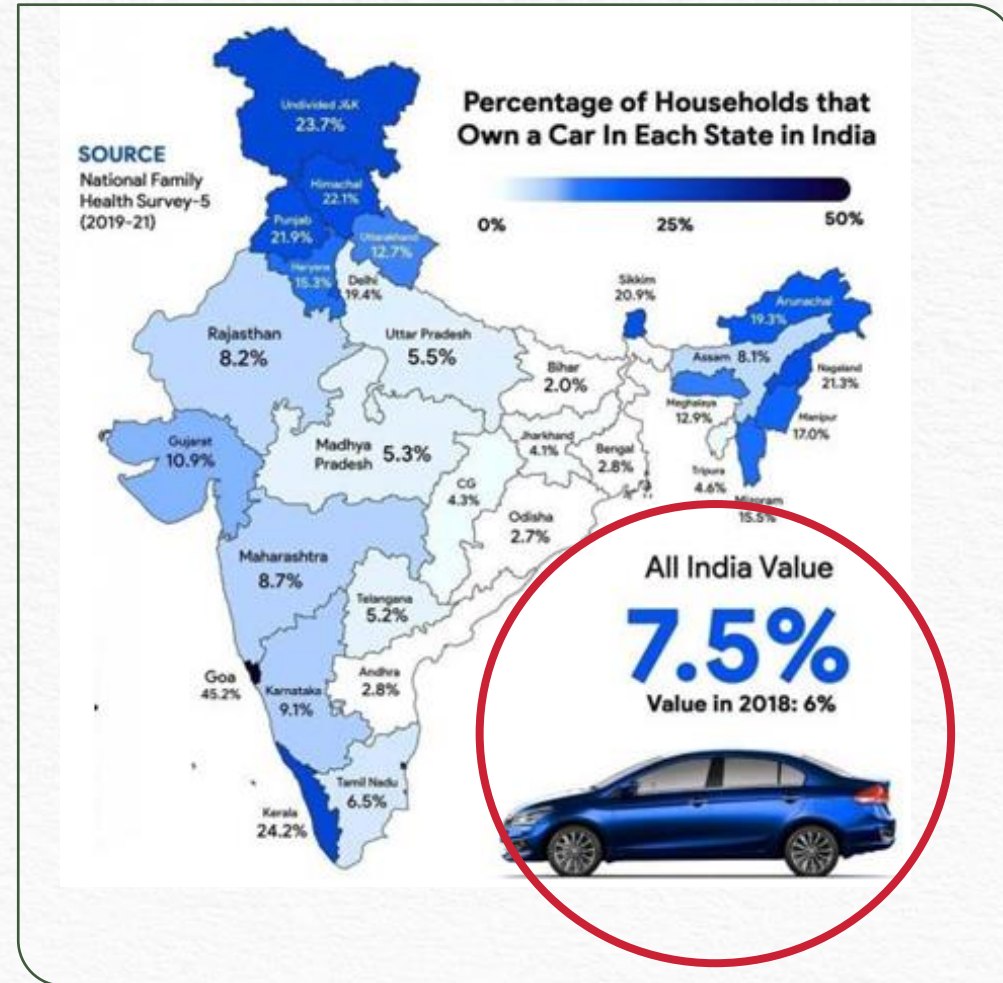
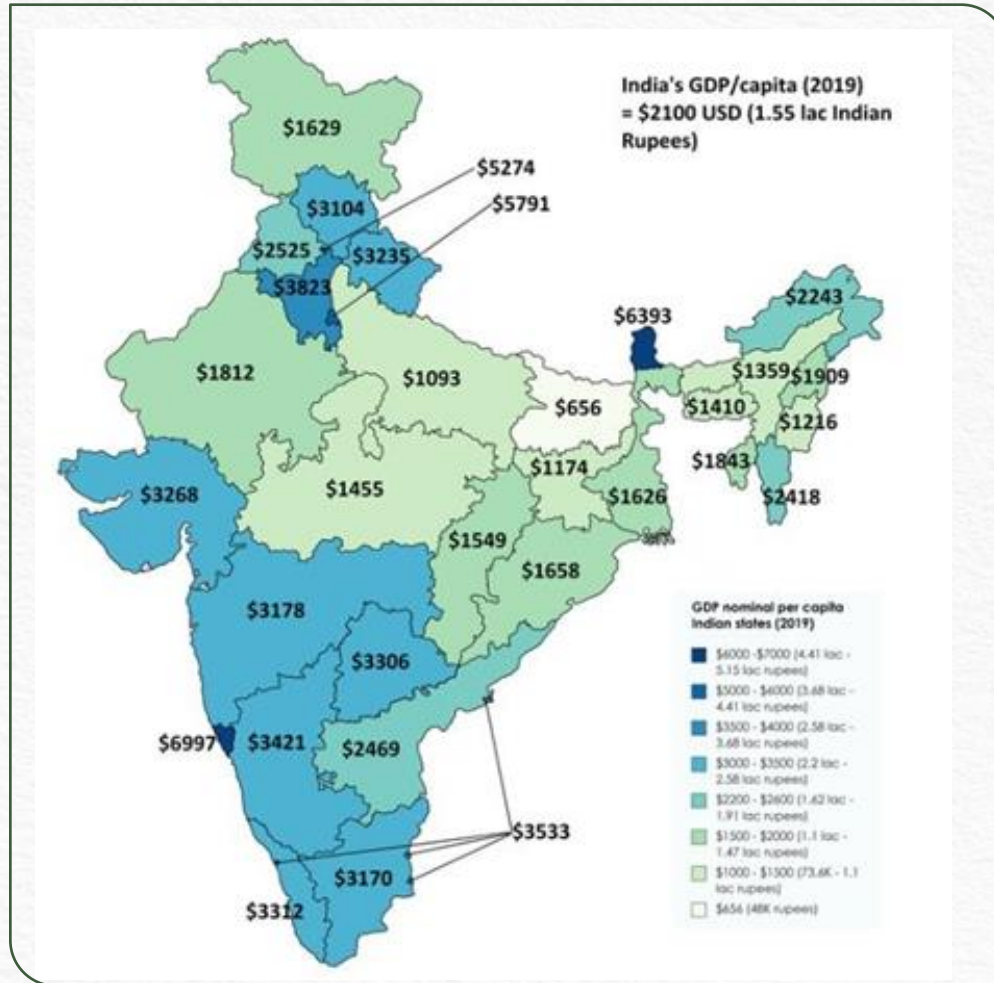
Passenger vehicle penetration per 1000 people of countries (2022)



PV penetration in India at levels similar to where China was in 2004

Source: SIAM, ABSLAMC Company Research. April 2023 latest available data.



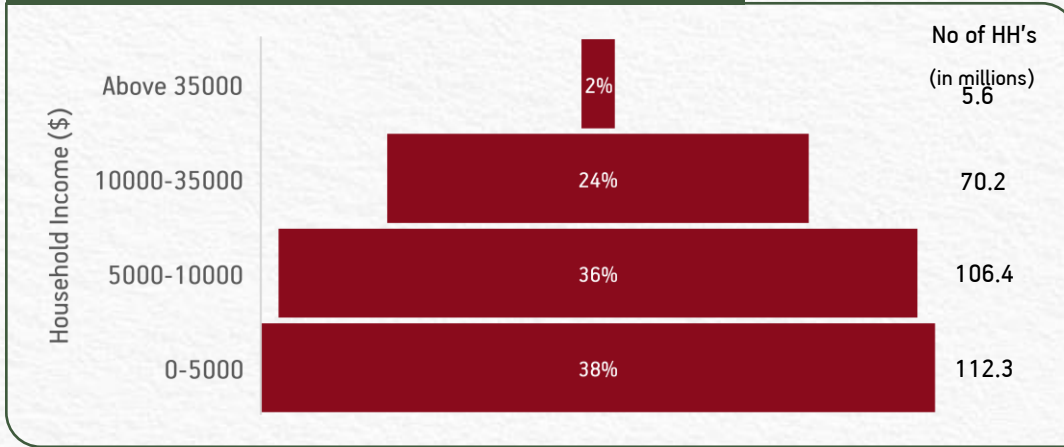


Source: BHP India, a, as per latest available data. Map of India is used for illustrative purpose alone and is not a political map of India.

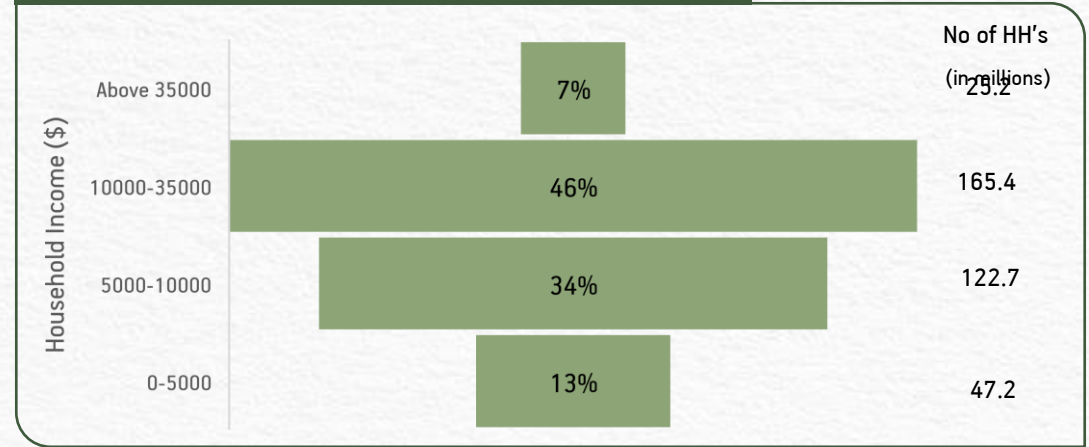




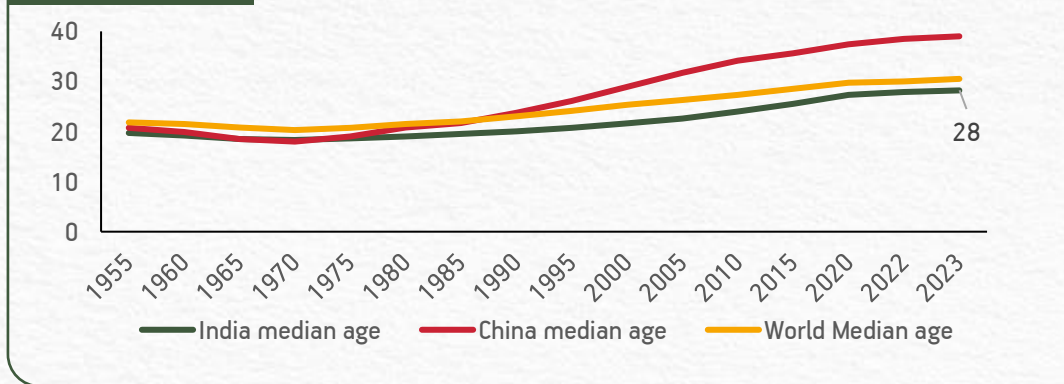
2021 Households by Income Distribution



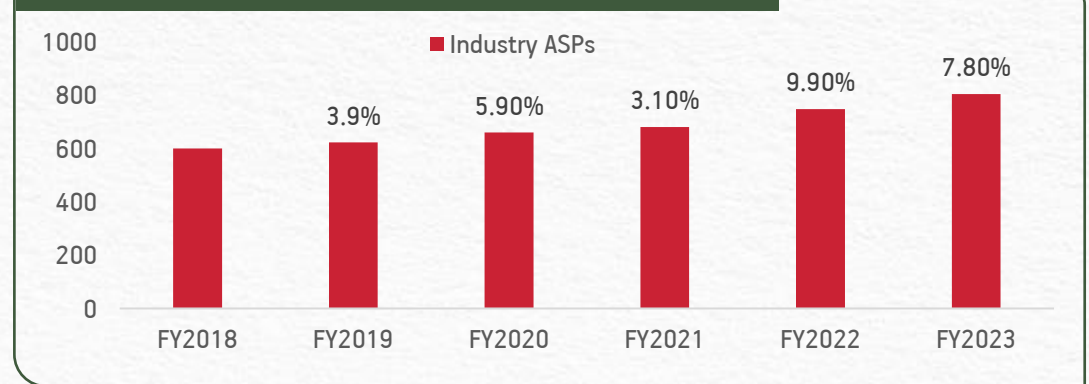
2031 Households by Income Distribution



Median Age



Average Selling Price for Car Manufacturers

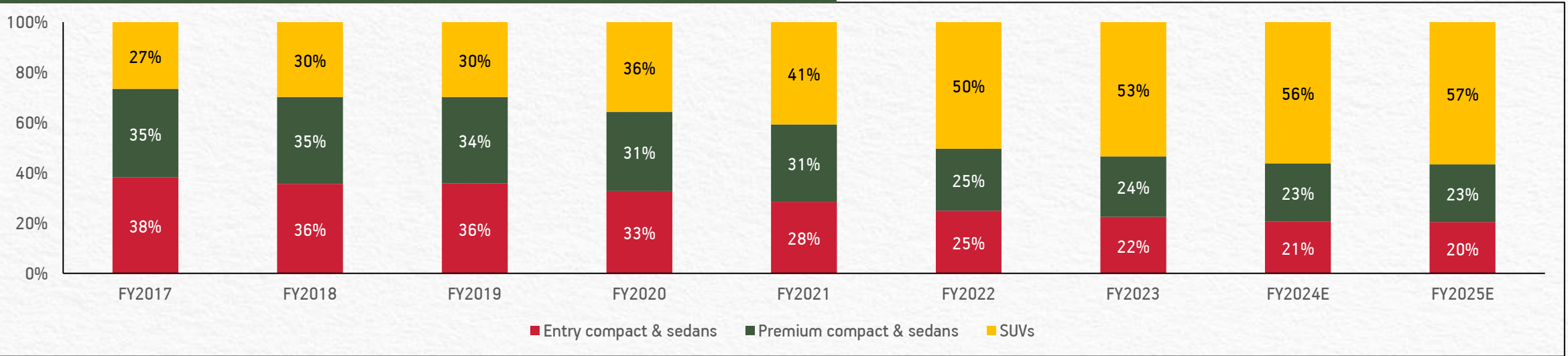


Younger population is opting to buy premium models thereby increasing the Average Selling Price (ASPs), albeit, at a slower pace than income growth

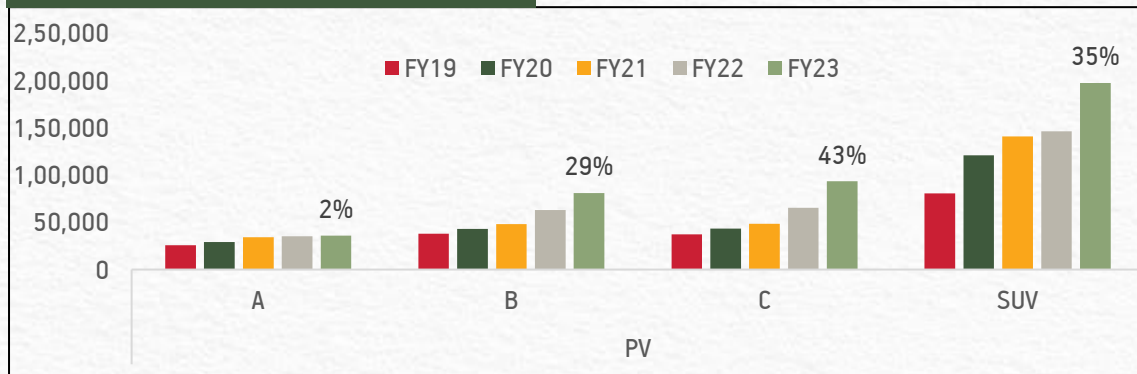
Source: Morgan Stanley, ABSLAMC Company Research



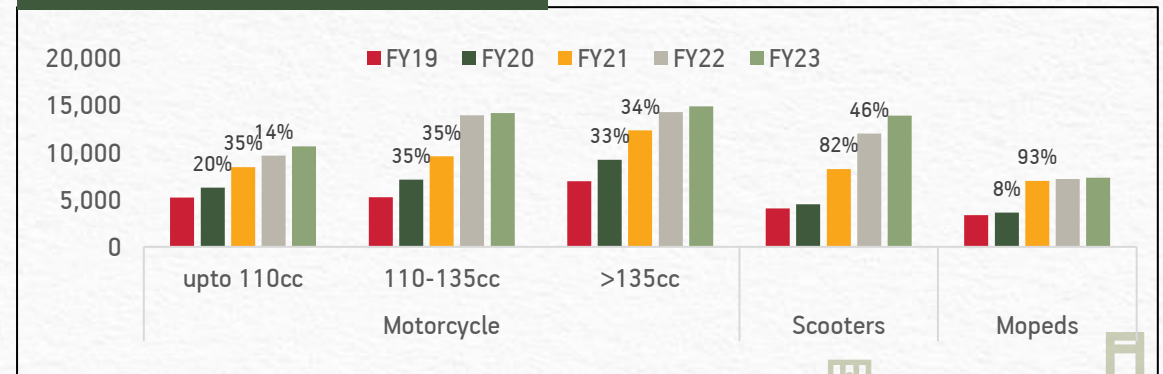
Share of Premium Passenger Vehicle have doubled in last few years



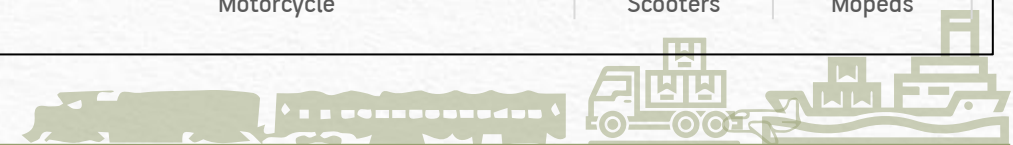
Increase in Kit Value of PVs



Increase in Kit Value of 2W

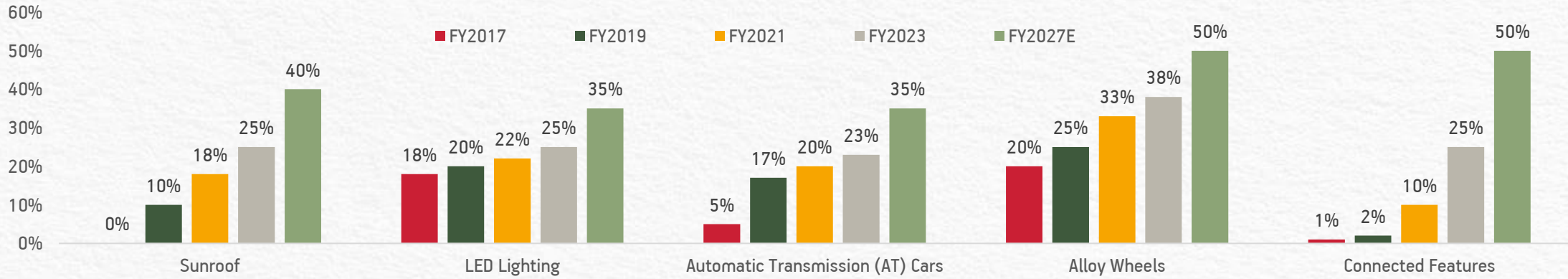


Source: J.P. Morgan and SIAM

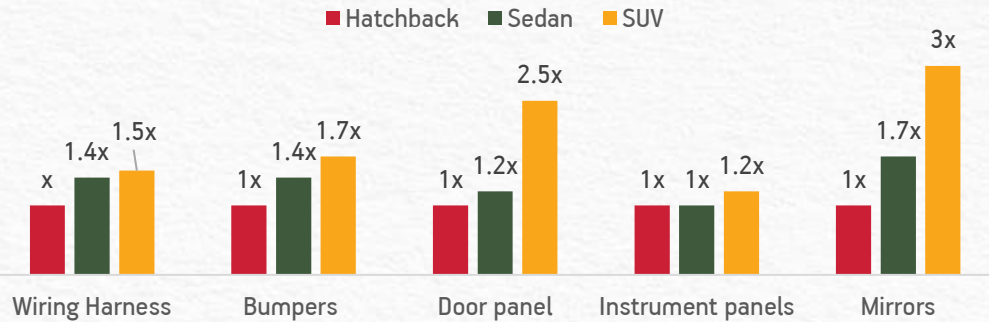




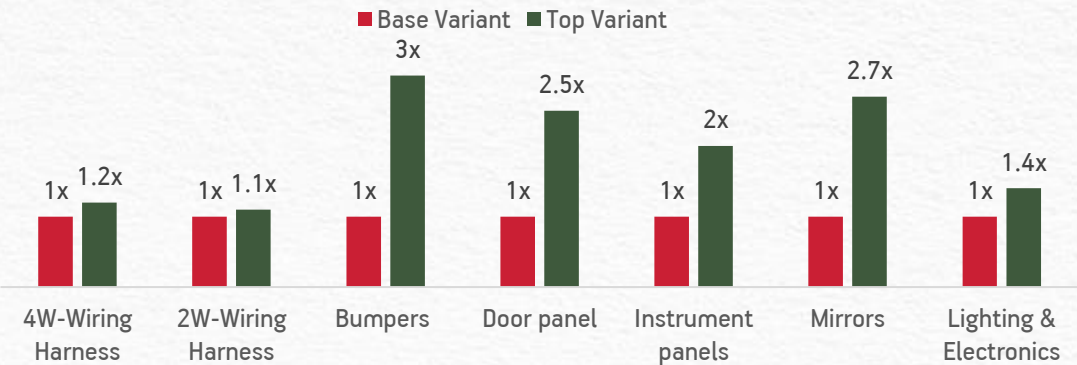
Increased adoption of premium features



Content increase between PV models



Difference in content of top and base variant

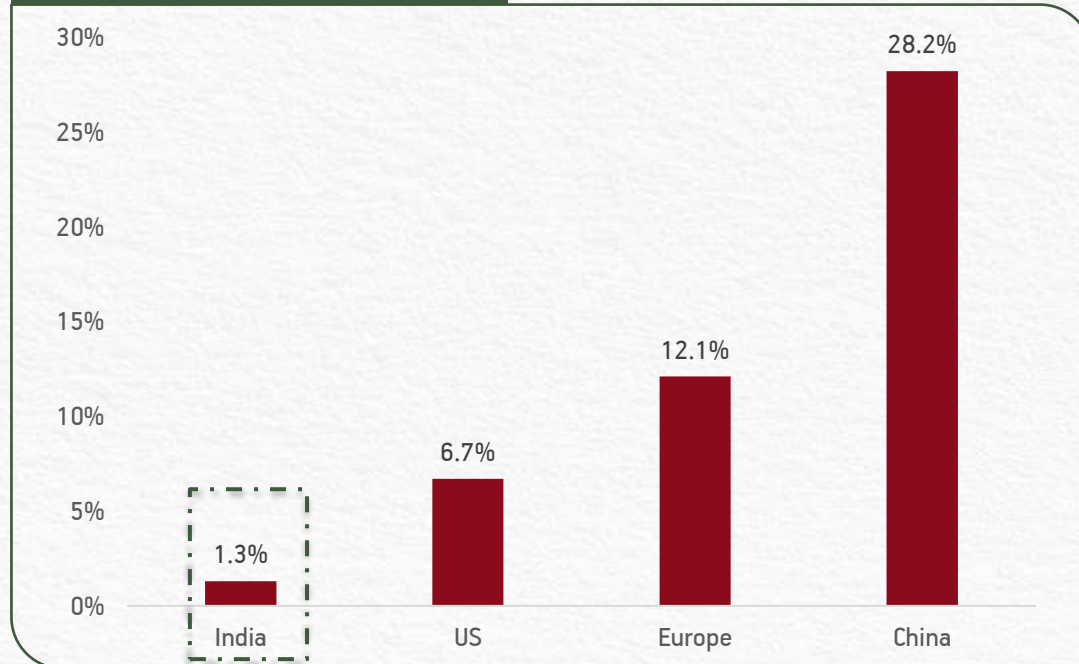


Source- Company Research, ABSLAMC Company Research

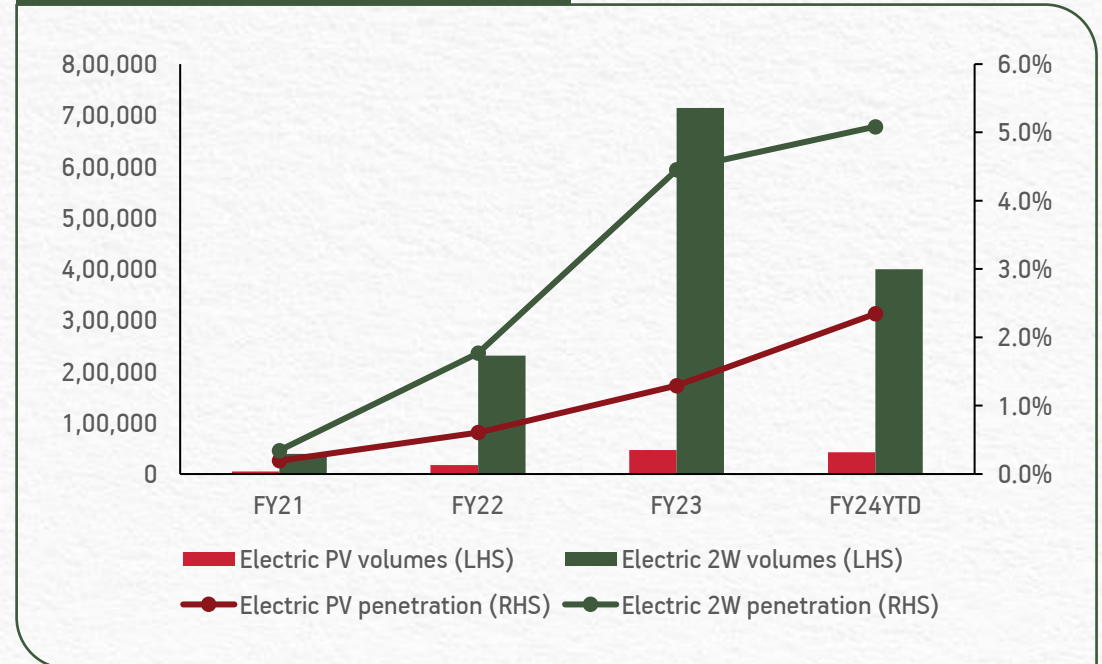




Global EV penetration (PV, %)



EV Sales Volume and Penetration



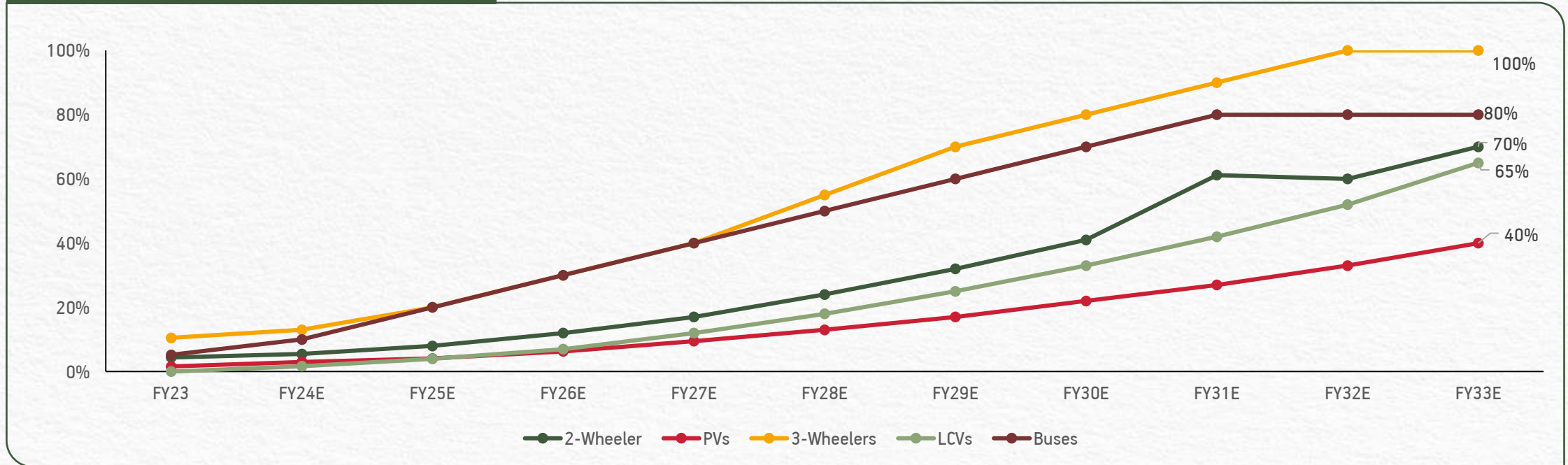
Given rising fuel prices & increased focus to reduce emissions, countries globally have adopted EVs in a significant manner. India is expected to follow suit thereby giving rise to multiple investment opportunities

Source: SIAM, ABSLAMC Company Research. Internal Combustion Engine(ICE) Electric Vehicle (EV)





% EV adoption across vehicle segments



Strong Government Support

- Lower GST rates
- Auto PLI scheme

New Model Launches
(Mahindra XUV 400, Tata Punch/
Curvv)

Reduction in Battery/ EV Prices
Scale Benefit

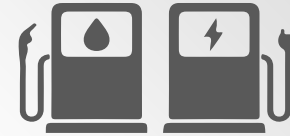
Source: Axis Capital





**Product
Diversification**

JVs to help in product development (Battery Management systems, Electric Control Units) bringing in diversification synergy.



ICE to EV

Thrust towards EV driving local manufacturing of components.



Exports

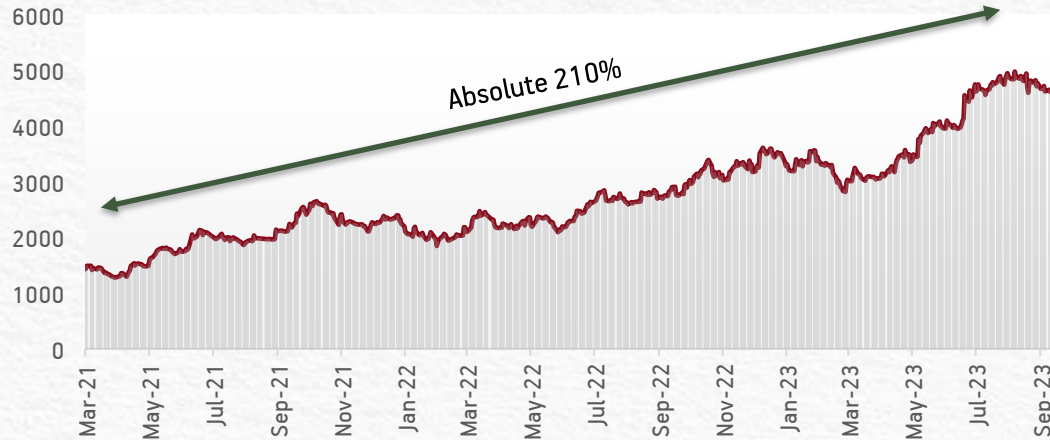
Identified as export hub due to high quality component manufacturing capability. Aided by China+1

Auto Component Industry growth over last 10 years is driven by robust domestic vehicles sales, strong aftermarket and increasing exports.

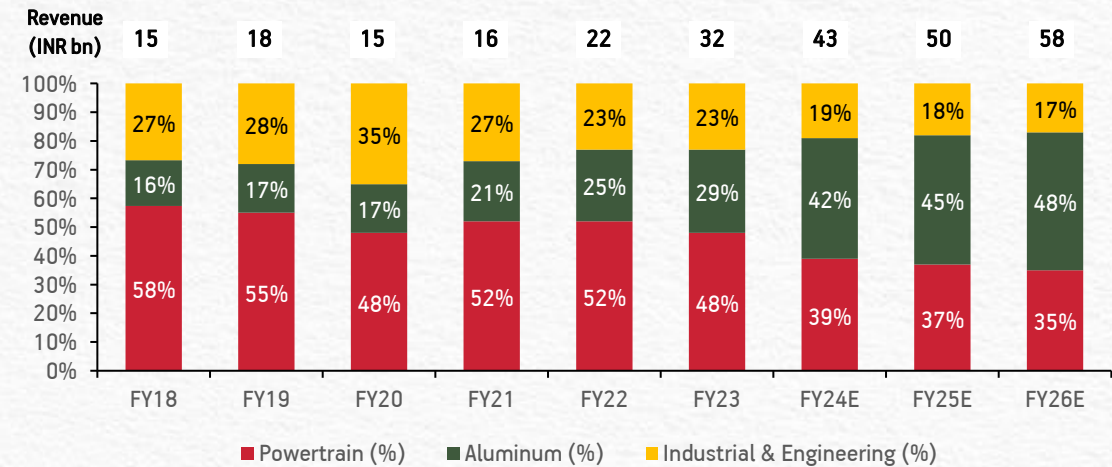




Case Study: Craftsman Automation (Stock Price Movement)



Revenue Mix

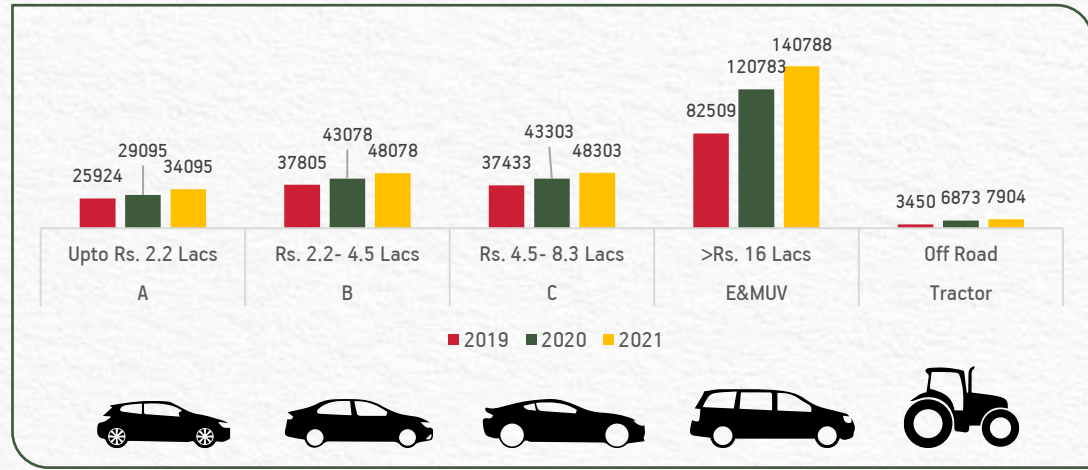
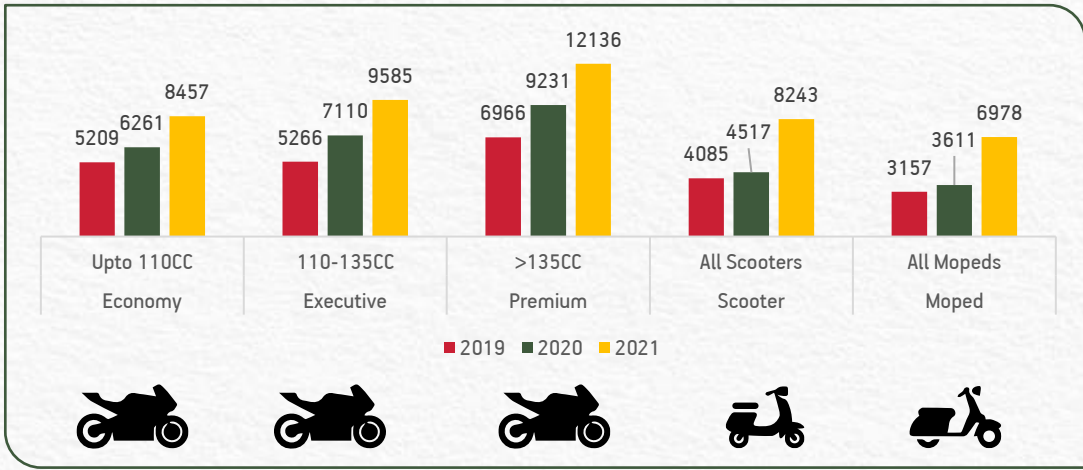


- Craftsman Automation: From being a CV-focused player manufacturing ferrous casting products, the company has evolved as a diversified player in the last couple of years.
- It has added and expanded in PV/2W markets through the aluminium component segment.
- Aluminium segment gaining traction and revenue mix increasing from ~25% in FY22 to ~45% by FY26E.
- The company continues its diversification trend and focus on profitable growth.

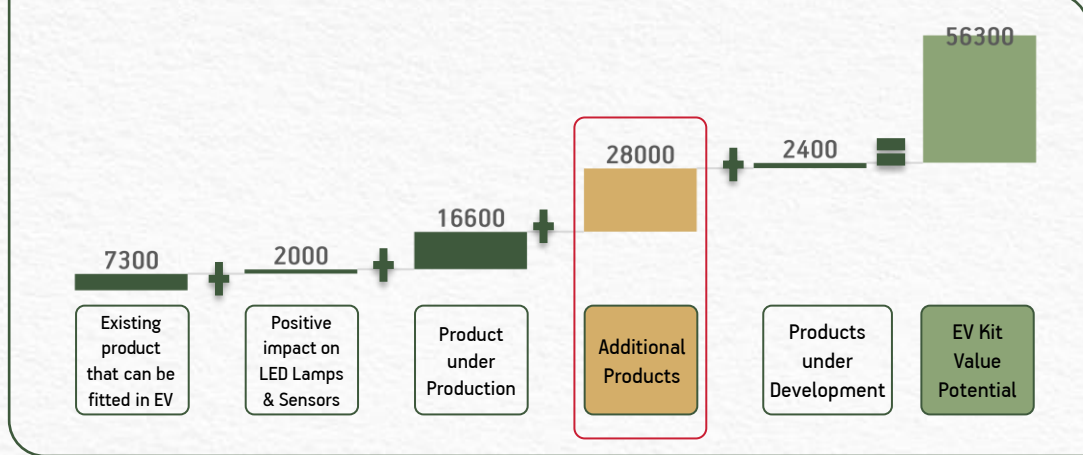
Source: BSE Capital, I-Sec Direct. The stock(s)/issuer(s) mentioned above should not be construed as any research report/recommendation to buy/ sell/ hold. The returns given above shall not be construed as Scheme returns.



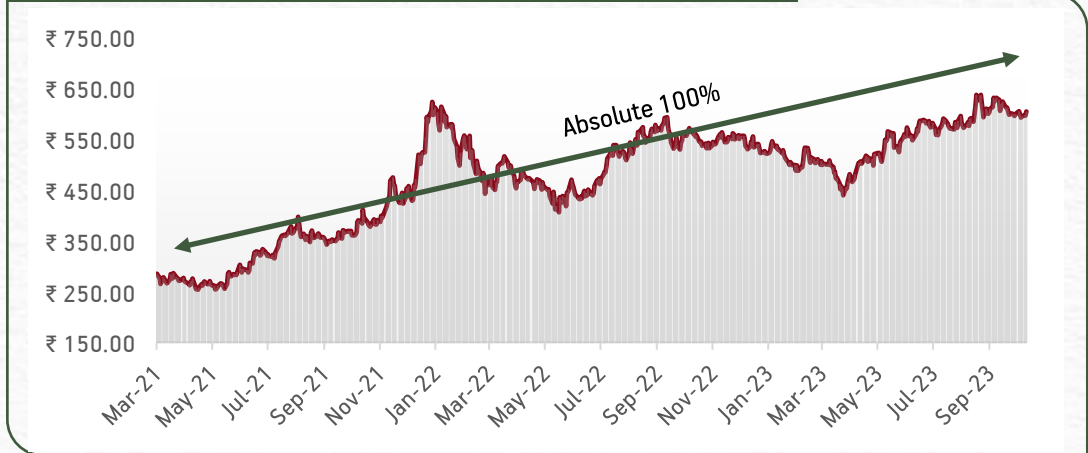
Illustration: Rising Trend in EV Adoption



Potential EV Kit value (2W)

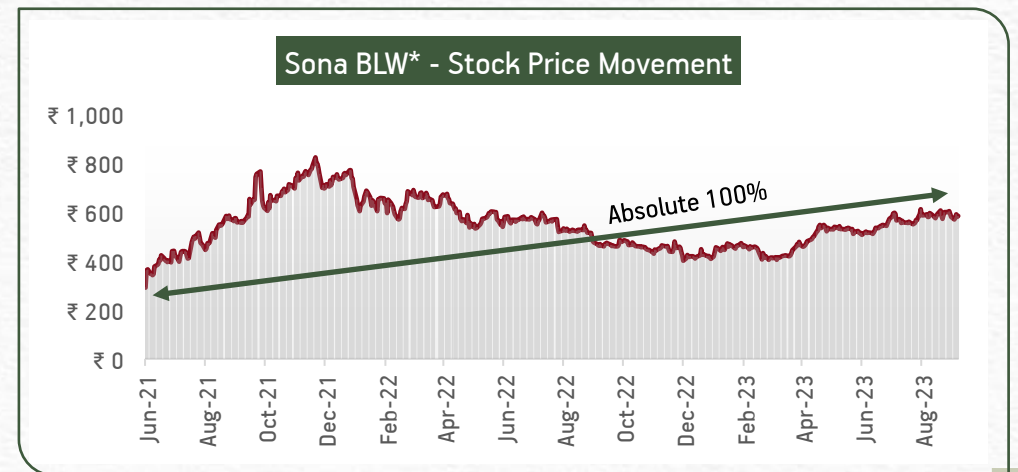
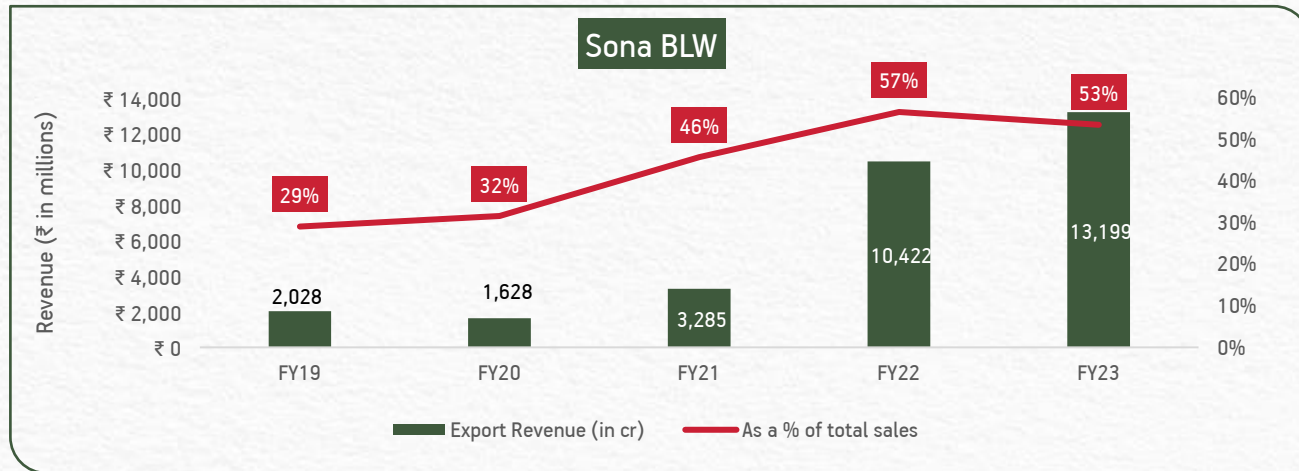
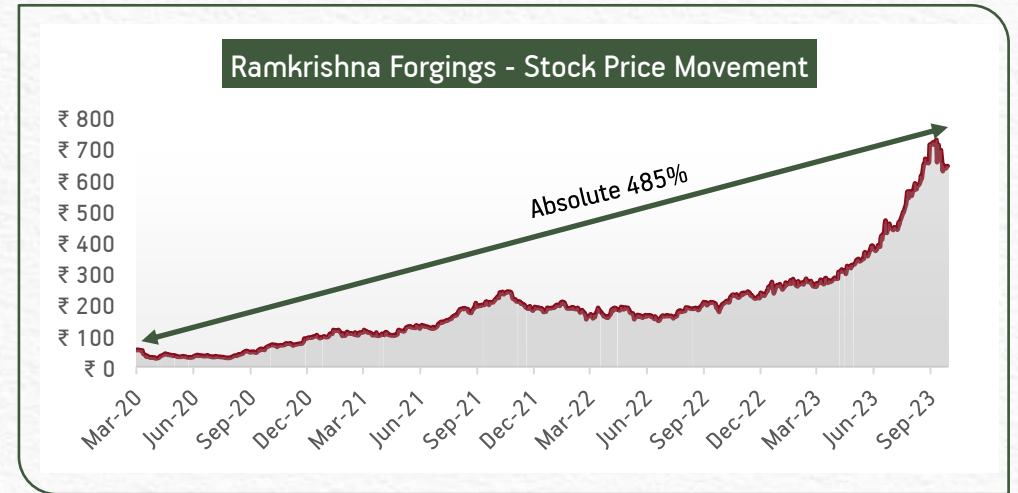
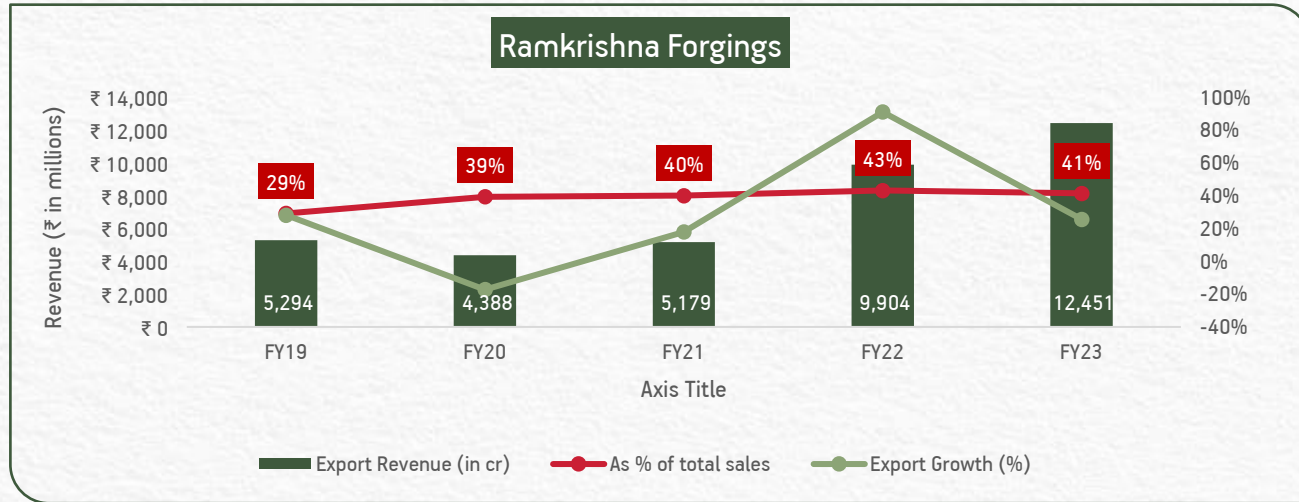


Case Study : UNO Minda (Stock Price Movement)



Source: Internal Company Research. Data as of 31-August-2023. The stock(s)/issuer(s) mentioned above should not be construed as any research report/recommendation to buy/ sell/ hold. The returns given above shall not be construed as Scheme returns



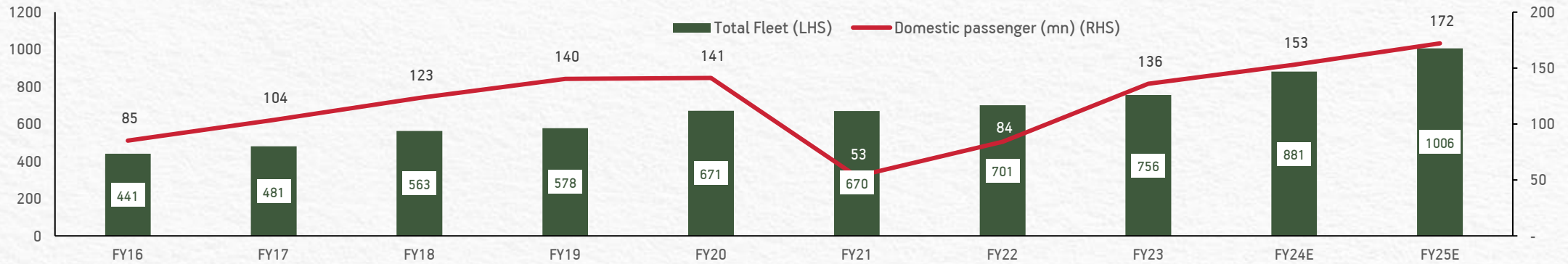


Source: Internal Company Research. Data as of 31-August-2023. The stock(s)/issuer(s) mentioned above should not be construed as any research report/recommendation to buy/ sell/ hold. The returns given above shall not be construed as Scheme returns. *Sona BLW IPO came in June 2021.

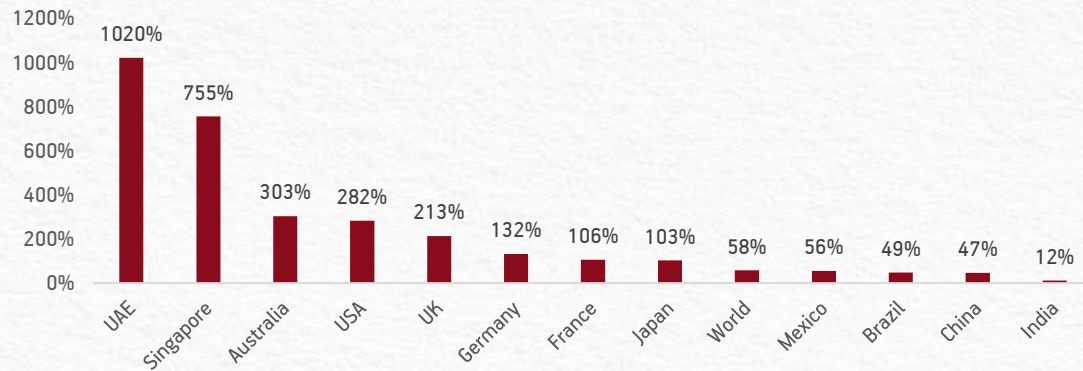




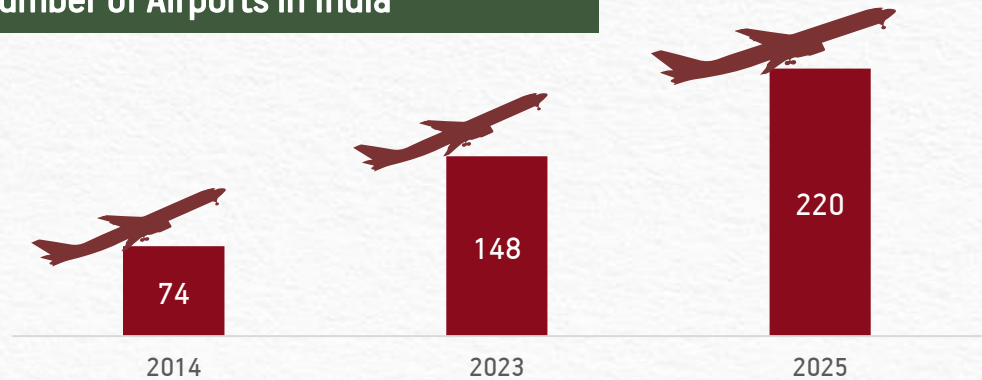
Airline Fleet and Domestic Passengers Travelled



Ratio of Passengers to Population

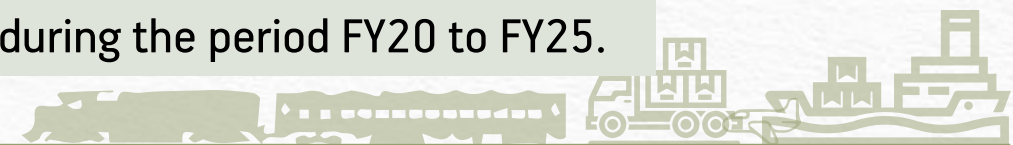


Number of Airports in India



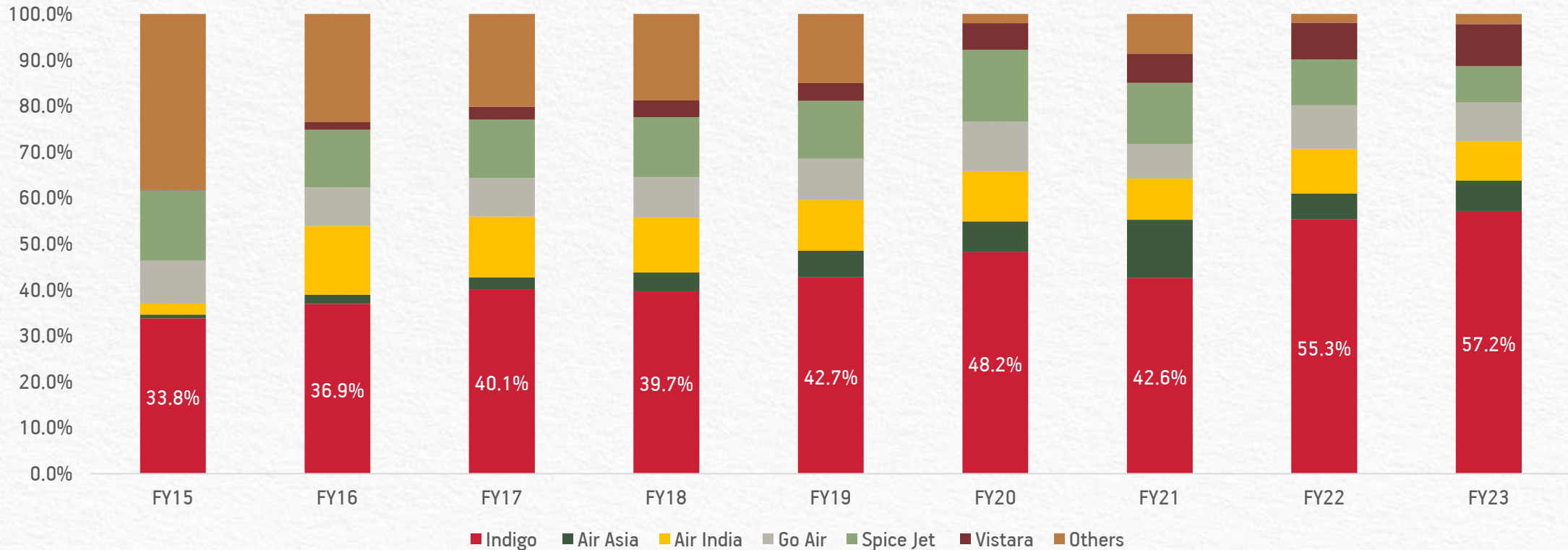
CAPEX outlay of more than ~INR 1 trillion is likely during the period FY20 to FY25.

Source: DGCA Annual Report, ICICI Securities Research





Marketshare of Existing Airlines



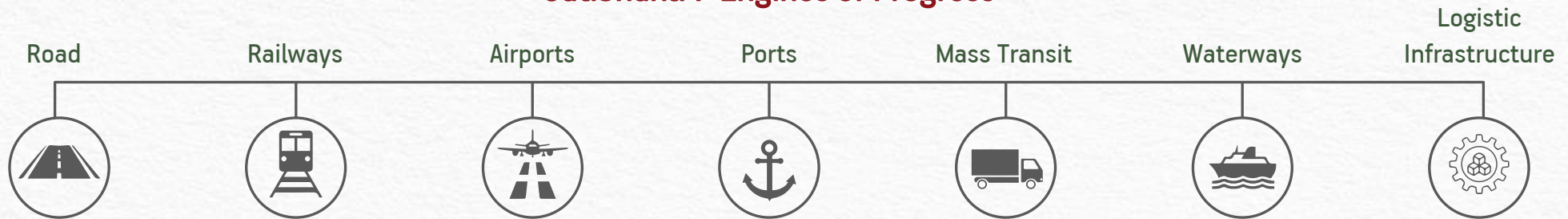
Industry structure is moving towards duopoly leading to better bargaining power in supply chain aircraft, pilots, crew.

Source: Axis Capital. I. The sector(s)/stock(s)/issuer(s) mentioned in this presentation do not constitute any research report/recommendation of the same and the Fund may or may not have any future position in these sector(s)/stock(s)/issuer(s).





GatiShakti 7 Engines of Progress





Parameters	US	China	India
GDP	USD 21 trn	USD 14.7 trn	USD 2.7 trn
Logistics Market Spend	USD 1.6 trn	USD 2.2 trn	USD 390 bn
Total Logistics Spend as % of GDP	8%	15%	14%
Per Capita Logistics Spend	USD 4860	USD 1540	USD 280
Share of Top 10 organized player	~15%	~7-10%	~1.5%
Average size of Warehouse (sq ft)	100-200K	20-50K	8-12K
Average size of the Truck (tonnes)	48	45	24-32
Average distance Travelled by Trucks (kms)	500+	423	325

Organized Sector penetration is low compared to global peers, improving government policies will augment higher growth.

India's logistics per capita spend at USD280 is very low and has growth potential.
Policy level changes and integration will lead to growth of the sector. **Opportunities galore!**

Source: CLSA, IBEF, Department of Commerce. June 2023





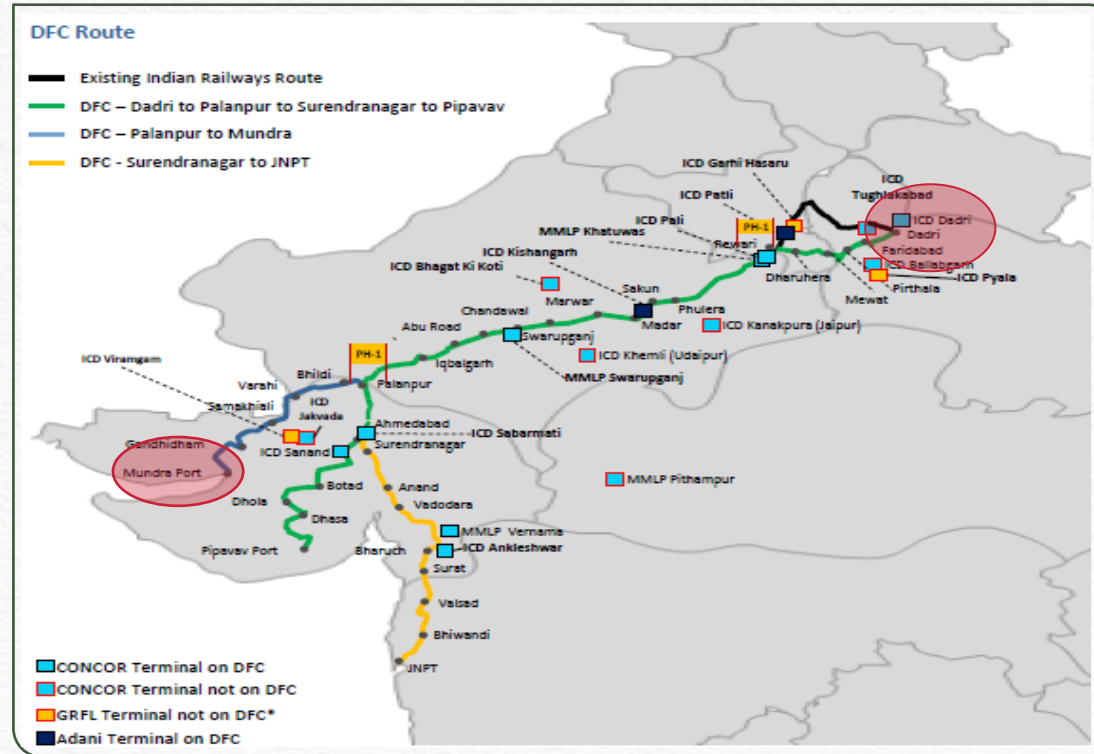
Pre DFC

28
KMPH

Speed

72
Hours

Time



Post DFC

75
KMPH

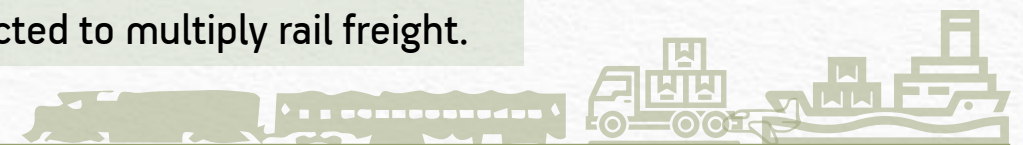
Speed

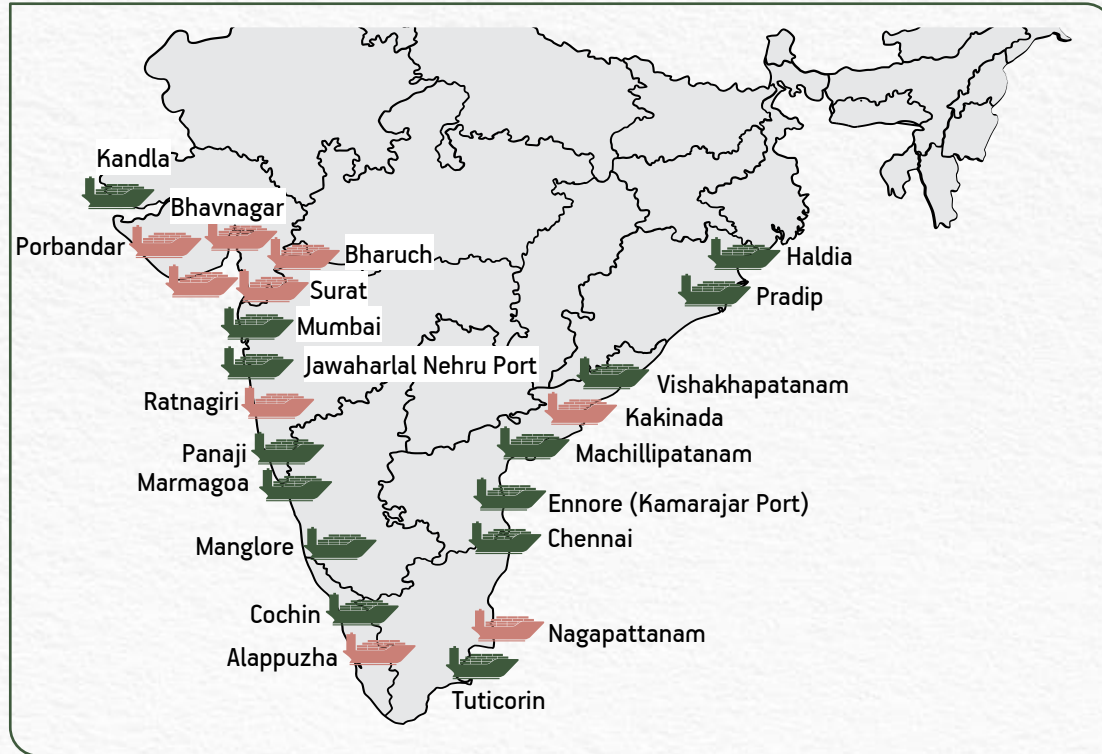
27
Hours

Time

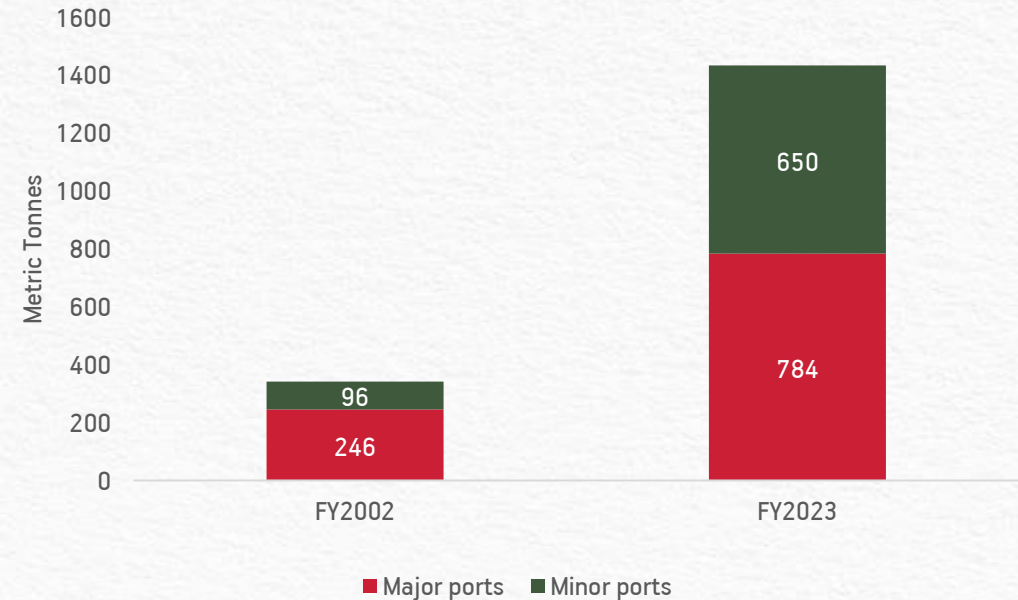
Rollout of Dedicated Freight Corridor (DFC) is expected to multiply rail freight.

Source: Nomura Research. Map of India on the website is used for illustrative purpose alone. And it is not a political map of India.





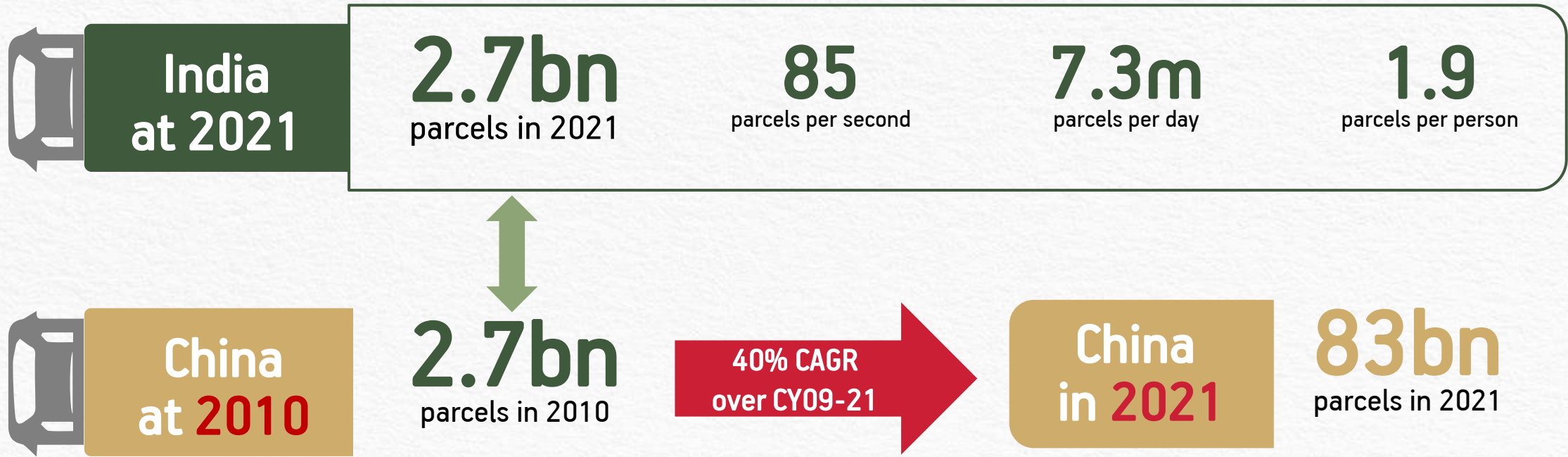
Cargo handled at Indian Ports (MT)



Volume growth in non major ports has been 2X compared to major ports due to efficiency gains & privatization.

Source: sagarmala.gov.in; Map of India is used for illustrative purpose alone. And it is not a political map of India.





Market expects India to follow a similar trend, however a much lower 21% CAGR in shipment volume for the industry over FY20-30.

Source: Delivery DRHP





Higher Per Capita Income
to boost consumption of
Auto sector



Premiumization & Regulatory
requirement may lead to
increase in Average Selling
Price (ASP)



Higher domestic
manufacturing and
exports to be
cornerstone for Auto
Ancillary.



More content per vehicle,
advance R&D and move
from ICE to EV to be growth
factors for Auto Ancillary



Development of Ports, DFC,
Road Infrastructure and
Airlines to boost the
Logistics sector.



Presenting

Aditya Birla Sun Life Transportation and Logistics Fund



Fund Positioning

- An open ended equity scheme following a Transportation and Logistics Theme
- Equity portion of Portfolio will follow **GARP** and can **invest across various sectors within the Theme.**



Investment Approach

Equity Allocation

Equity: 80-100% in the Transportation & Logistics Theme
Equity Allocation: 0-20% outside of the theme

Fundamental Research Driven

Blend of top down and bottom-up approach for portfolio construction

Optimized Portfolio

Equity portion will follow **GARP philosophy** to seek **growth opportunities** from across the market spectrum



Suitability

The fund is **suitable for Long term Equity Investors with an Investment horizon of 3 years and above**

GARP: Growth at Reasonable Price.

The Scheme does not guarantee/indicate any returns. There can be no assurance that the objective of the Scheme will be achieved. For details, refer SID/KIM of the scheme.





There has many underlying sectors that will benefit from overall change in the Indian economy



Structural and cyclical investment opportunities available across investment theme



Good mix of Urban/ Rural and Domestic/ International Play available in the Fund



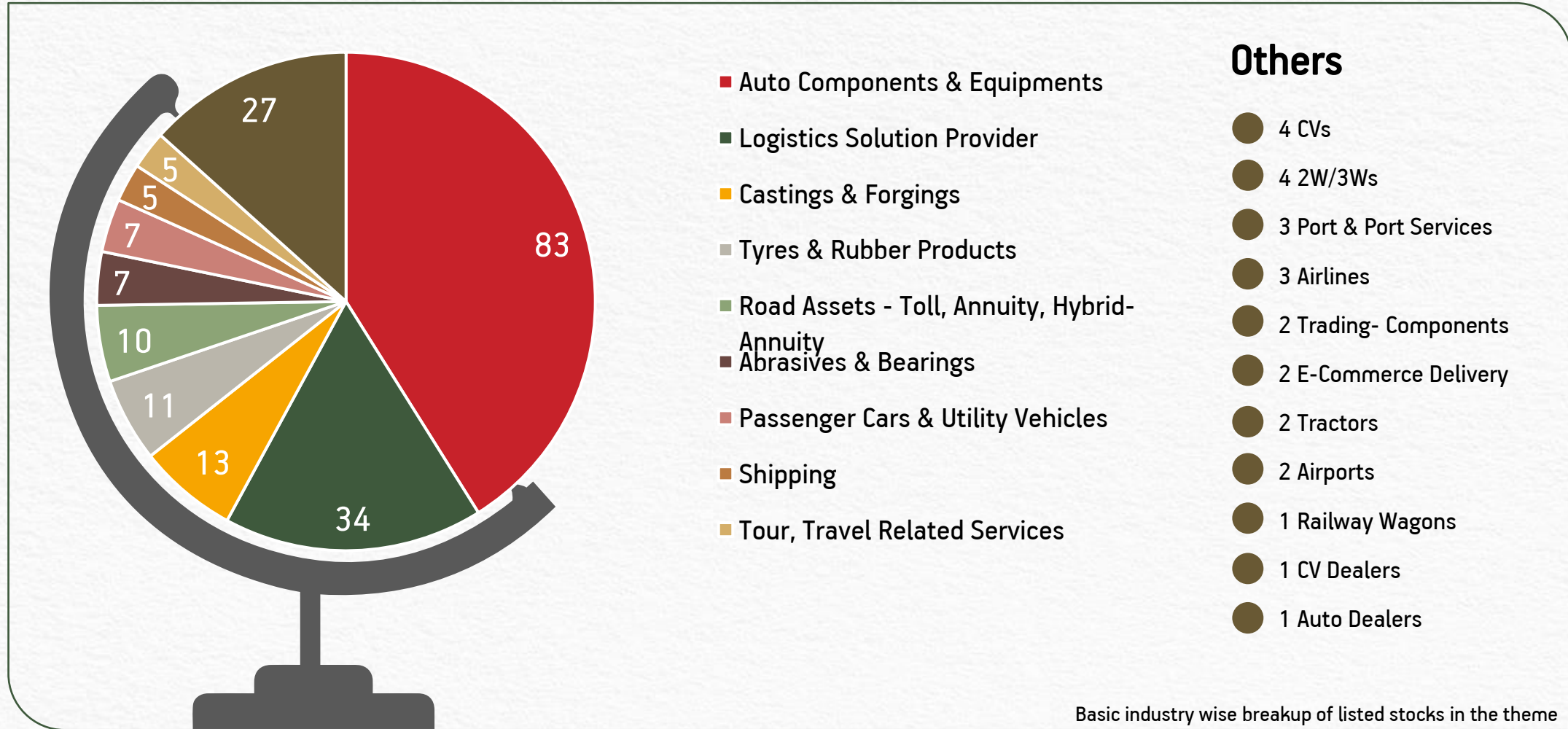
Well diversified businesses covering a spectrum across 22 basic industries*



Innovation & new technologies part of this theme

*Basic industries as per AMFI which are subject to change





Basic industry wise breakup of listed stocks in the theme

Source: BSEI, AMFI. The sector(s)/stock(s)/issuer(s) mentioned in this presentation do not constitute any research report/recommendation of the same and the Fund may or may not have any future position in these sector(s)/stock(s)/issuer(s)



Benchmark Composition & Details



Stock Name	Basic Industry	Market Cap
Maruti Suzuki India Ltd.	Passenger Cars & Utility Vehicles	Large Cap
Mahindra & Mahindra Ltd.	Passenger Cars & Utility Vehicles	Large Cap
Tata Motors Ltd.	Passenger Cars & Utility Vehicles	Large Cap
Adani Ports and Special Economic Zone Ltd.	Port & Port services	Large Cap
Bajaj Auto Ltd.	2/3 Wheelers	Large Cap
Eicher Motors Ltd.	2/3 Wheelers	Large Cap
Zomato Ltd.	E-Retail/ E-Commerce	Large Cap
Hero Motocorp Ltd.	2/3 Wheelers	Large Cap
TVS Motor Company Ltd.	2/3 Wheelers	Large Cap
Tube Investments of India Ltd.	Auto Components & Equipments	Large Cap
Interglobe Aviation Ltd.	Airline	Large Cap
Samvardhana Motherson International Ltd.	Auto Components & Equipments	Large Cap
IRCTC	Tour Travel Related Services	Large Cap
Tata Motors Ltd DVR	Passenger Cars & Utility Vehicles	Large Cap
Bosch Ltd.	Auto Components & Equipments	Large Cap
Container Corporation of India Ltd.	Logistics Solution Provider	Mid Cap
Bharat Forge Ltd.	Castings & Forgings	Mid Cap
Ashok Leyland Ltd.	Commercial Vehicles	Mid Cap
Sona BLW Precision Forgings Ltd.	Auto Components & Equipments	Mid Cap
MRF Ltd.	Tyres & Rubber Products	Mid Cap
Balkrishna Industries Ltd.	Tyres & Rubber Products	Mid Cap
AIA Engineering Ltd.	Castings & Forgings	Mid Cap
Schaeffler India Ltd.	Auto Components & Equipments	Mid Cap
Sundram Fasteners Ltd.	Auto Components & Equipments	Mid Cap
Carborundum Universal Ltd.	Abrasives & Bearings	Mid Cap
Apollo Tyres Ltd.	Tyres & Rubber Products	Mid Cap
SKF India Ltd.	Abrasives & Bearings	Mid Cap
UNO Minda Ltd.	Auto Components & Equipments	Mid Cap
Grindwell Norton Ltd.	Abrasives & Bearings	Mid Cap
Delhivery Ltd.	Logistics Solution Provider	Mid Cap
Exide Industries Ltd.	Auto Components & Equipments	Small Cap

Sector Weightage

57%

Automobiles

25%

Auto Ancillary

18%

Logistics & Others

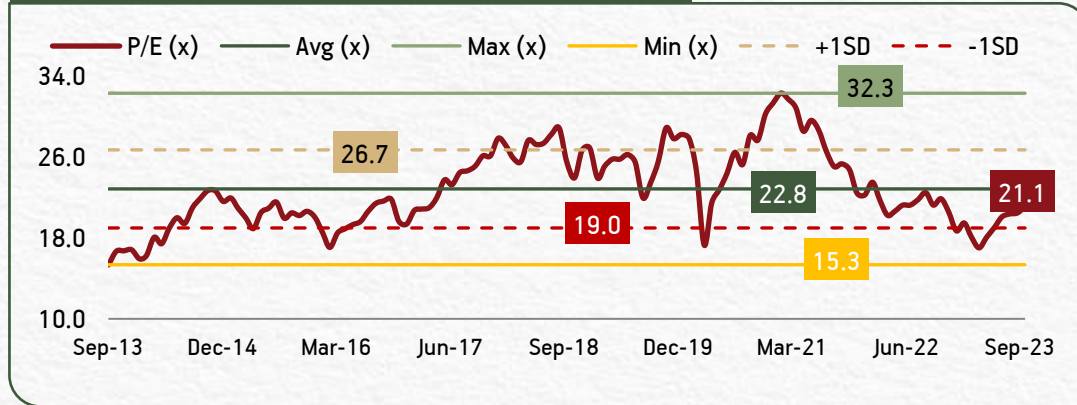
Source: NSE Transportation & Logistics Index as of 30-September-2023.

<https://www.niftyindices.com/indices/equity/thematic-indices/nifty-transportation-logistics>

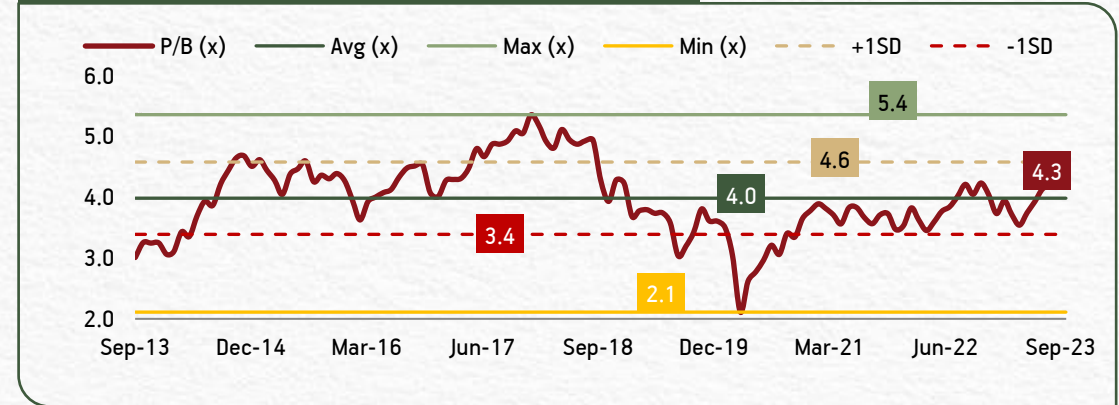




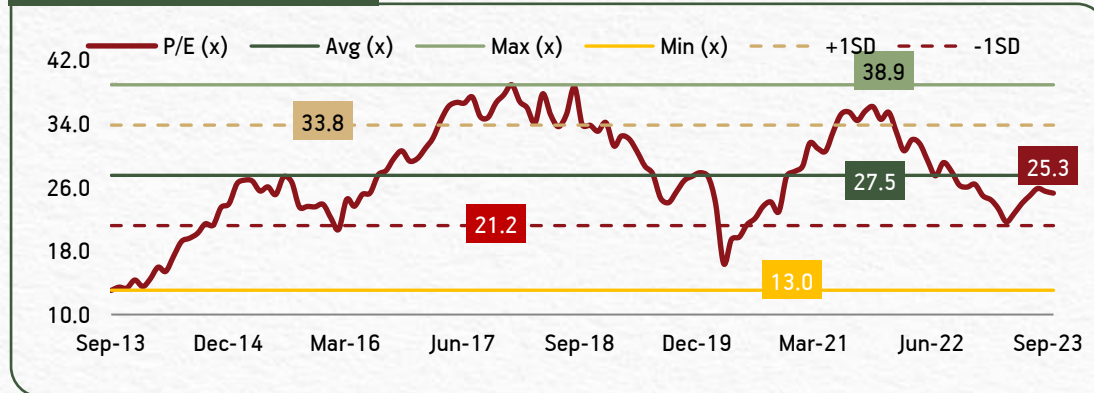
Automobiles - P/E (ex Tata Motors)



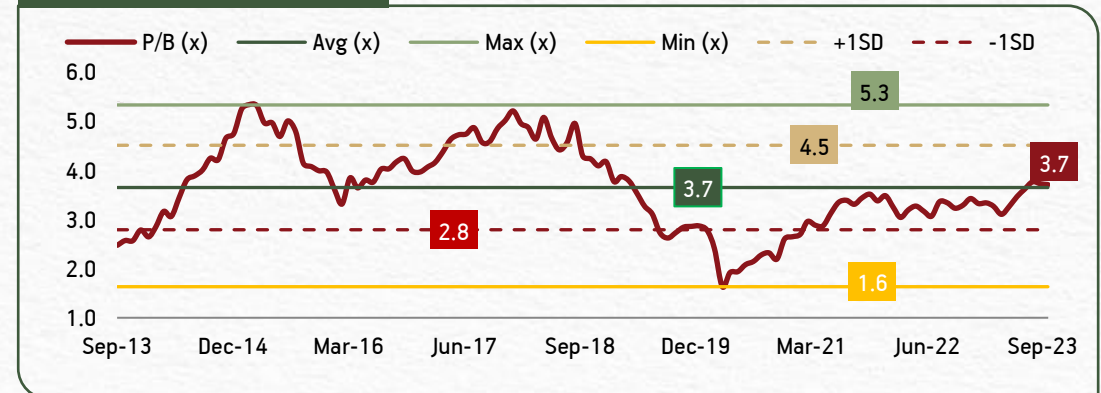
Automobiles – P/B (ex Tata Motors)



Auto Ancillary - P/E



Auto Ancillary- P/B



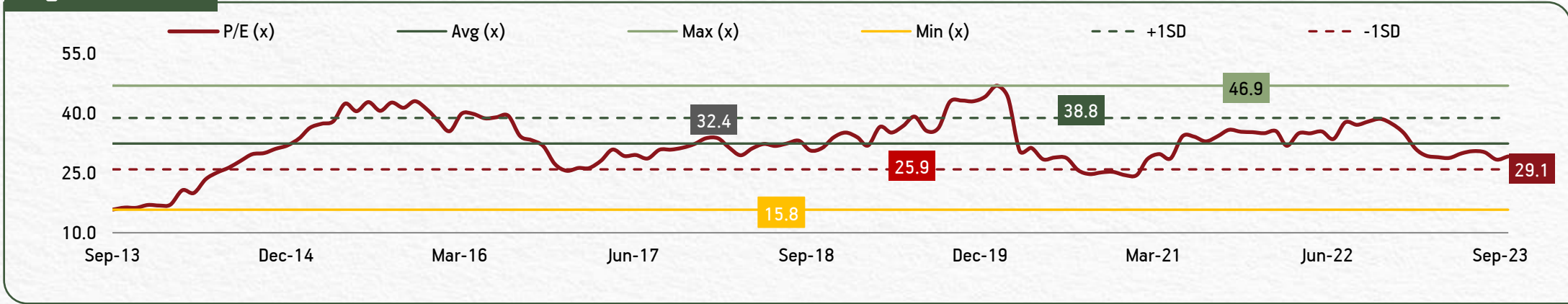
Despite the improving growth outlook of the sector, valuations in Auto and Logistics sector are shade below the long-term averages.

Source: Motilal Oswal Research

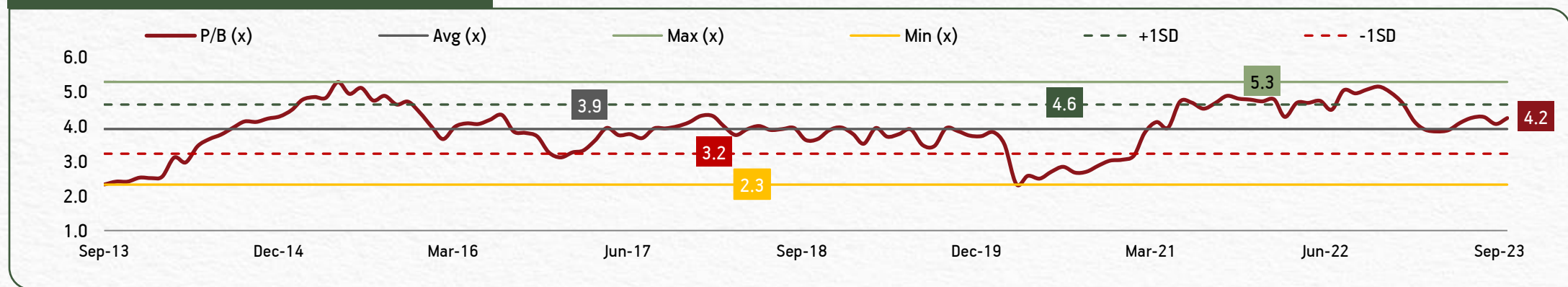




Logistics - P/E



Logistics - P/B



Despite the improving growth outlook of the sector, valuations in Auto and Logistics sector are shade below the long-term averages.

Source: Motilal Oswal Research





First time equity investors
with an investment horizon
of 3 years and above



Investors with time
horizon of 3-5 years



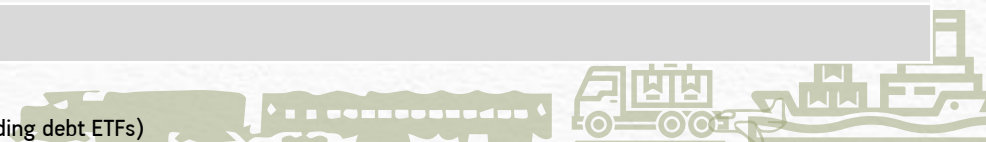
Suitable investment vehicle for SIP
investments to achieve long term
wealth creation through one of the
vibrant themes of economy





Scheme Name	Aditya Birla Sun Life Transportation & Logistics Fund			
Fund Manager	Mr. Dhaval Gala; Overseas Investments - Mr. Dhaval Joshi			
Scheme Type	An open ended equity scheme following transportation and logistics theme			
Investment Objective	The investment objective of the Scheme is to achieve long term capital appreciation by investing in equity and equity related securities of companies following transportation and logistics theme. The Scheme does not guarantee/indicate any returns. There can be no assurance that the objective of the Scheme will be achieved.			
Scheme Benchmark	Nifty Transportation & Logistics TRI			
Asset Allocation	Instrument	Risk Profile	Allocation (% of total Assets)	
			Minimum	Maximum
	Equity & Equity related instruments# of companies following transportation and logistics theme*	Very High	80%	100%
	Equity & Equity related instruments# other than the transportation & logistics theme	Very High	0%	20%
	Debt and Money Market Instruments^	Low to Moderate	0%	20%
	Units issued by REITs & InvITs	Very High	0%	10%
	#(including equity ETFs); *(including stocks that are part of the benchmark of the fund); ^ (including debt ETFs)			
Plans & Options	Regular Plan and Direct Plan; Both plans will have following options: (1) Income Distribution cum capital withdrawal (“IDCW”) Option (Payout of IDCW & Reinvestment of IDCW)^; (2) Growth Option. ^the amounts can be distributed out of investors capital (Equalization Reserve), which is part of sale price that represents realized gains			
Entry & Exit Load	Entry Load : NIL; Exit Load : For redemption/switch-out of units on or before 365 days from the date of allotment: 1.00% of applicable NAV. For redemption/switch-out of units after 365 days from the date of allotment: Nil			
NFO Open Date	October 27, 2023			
NFO Close Date	November 10, 2023			

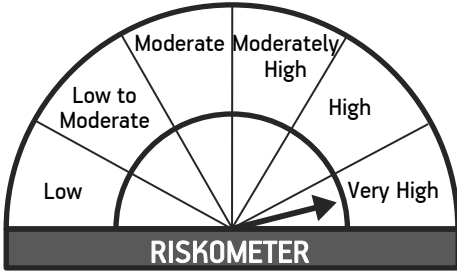
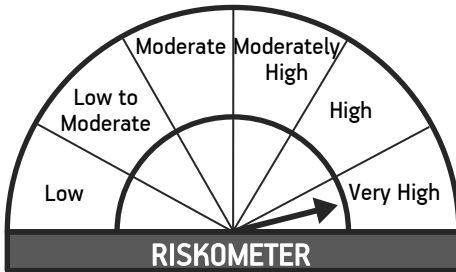
Note: For details, refer SID/KIM of the scheme. #(including equity ETFs) *(including stocks that are part of the benchmark of the fund) ^(including debt ETFs)





Aditya Birla Sun Life Transportation and Logistics Fund

(An open ended equity scheme following transportation and logistics theme)

This product is suitable for investors who are seeking*:	Scheme Risk-o-meter	Benchmark Risk-o-meter
<ul style="list-style-type: none"> • Long Term Capital Appreciation • Investment in equity and equity related instruments following transportation and logistics theme 	 <p>RISKOMETER Investors understand that their principal will be at Very High risk</p>	<p>NIFTY Transportation & Logistics TRI</p>  <p>RISKOMETER Investors understand that their principal will be at Very High risk</p>
<p>*Investors should consult their financial advisors if in doubt whether the product is suitable for them.</p>		

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.

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three decades.

#AapkeSapnoKeSathi



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Thank You