

Silver Shaping History to Defining Future

Aditya Birla Sun Life
Mutual Fund

ADITYA BIRLA
CAPITAL



Aditya Birla Sun Life Silver ETF

&

Aditya Birla Sun Life Silver ETF Fund of Fund

(An open ended exchange traded fund tracking physical price of Silver)

(An open ended fund of fund scheme investing in the units of Aditya Birla Sun Life Silver ETF)

NFO Opens: January 13, 2022

| NFO Closes: January 27, 2022

DID YOU KNOW?



Silver has the highest thermal conductivity

Used as a standard to measure conductivity.



Silver can make it rain

Silver iodide is used for cloud seeding to produce rain and control hurricanes



Silver is the most reflective metal

Used for coating mirrors, telescopes, microscopes and solar panels



Source: <https://www.unclaimedbaggage.com/blogs/news/8-fun-facts-about-silver>

For every age, Silver proves value

3000 BC to Middle Ages

- Hacksilver
- Currency
- Food Containers
- Figurines

Middle Ages to 2000s

- Utensils: To protect from plague
- Mirrors
- Medical Application

2000s to Present

- Catalyst
- Wires
- Water and Air Purifier
- Solar Panels and EVs

The Future

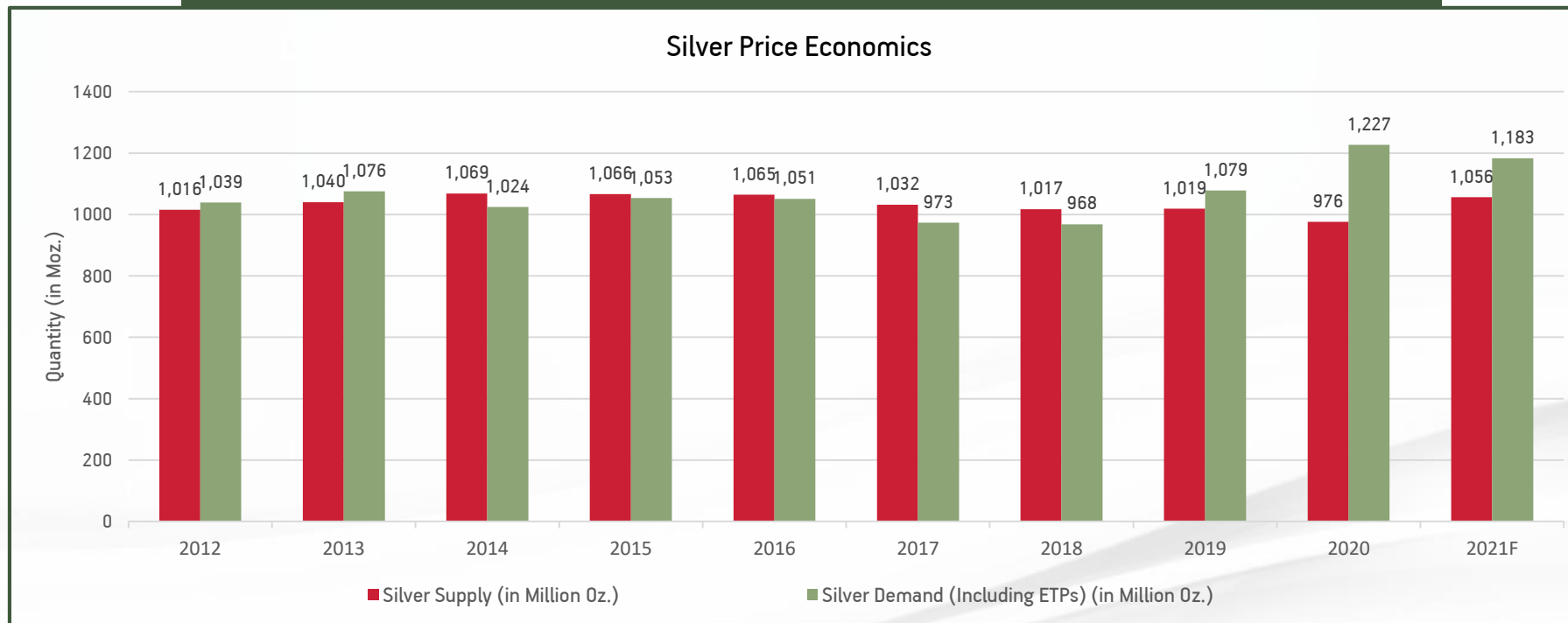
- Renewable Energy
- Pharmaceutical Use
- Electronic Gadgets
- Space technology

Properties like malleability, ductility, reflectiveness, noble nature, thermal & electrical conductivity has made Silver useful & valuable over age and time.



Demand - Supply Economics

There has been a strong demand of silver throughout the past decade and more



The demand of Silver is expected to increase (by 15% YoY) faster than supply (by 8% YoY) pushing the prices up.

Source: <https://www.silverinstitute.org/silver-supply-demand/> As on April 2021

1 million ounces is equivalent to 28 tonnes



What is currently driving Silver's Demand?

Factors influencing Silver Demand



High consumption demand in form of Jewelry and Silverware.

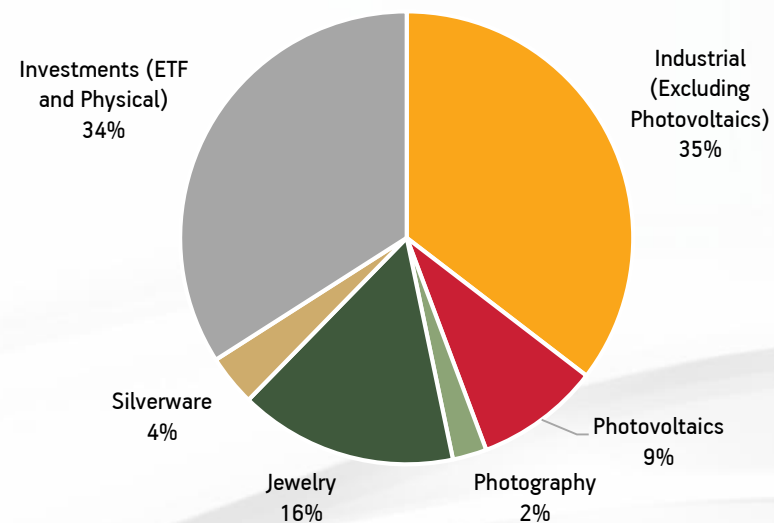


Industrial demand in photovoltaics, electrical vehicles.



Investment demand, both physically and through - ETF's and Fund of Funds.

Global Silver Demand (in %)



Over past decade, Silver demand has been driven by industrial usage, renewable energy and as an investment instrument.

Source : World Silver Survey 2021 Published in April 2021

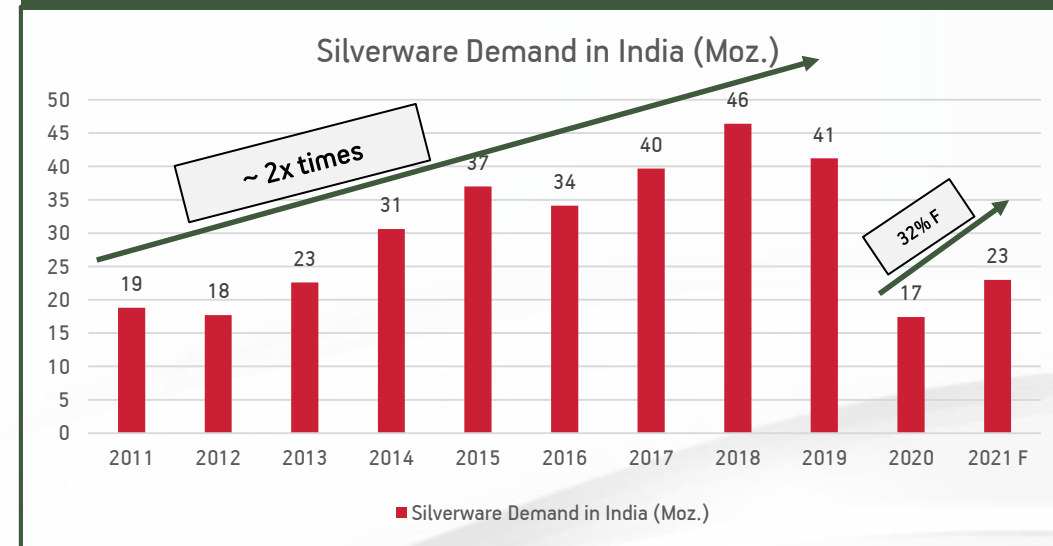
Indian - Jewelry Demand has led Consumption

Demand for Silver Jewelry grew @ 15% CAGR from 2011 -19.
India accounts for 25%* Global Silver Jewelry Demand.



*10 Year Average

Demand for Silverware grew @ 10% CAGR from 2011-19.
India accounts for 58%* Global Silverware Demand.



1 million ounces is equivalent to 28 tonnes

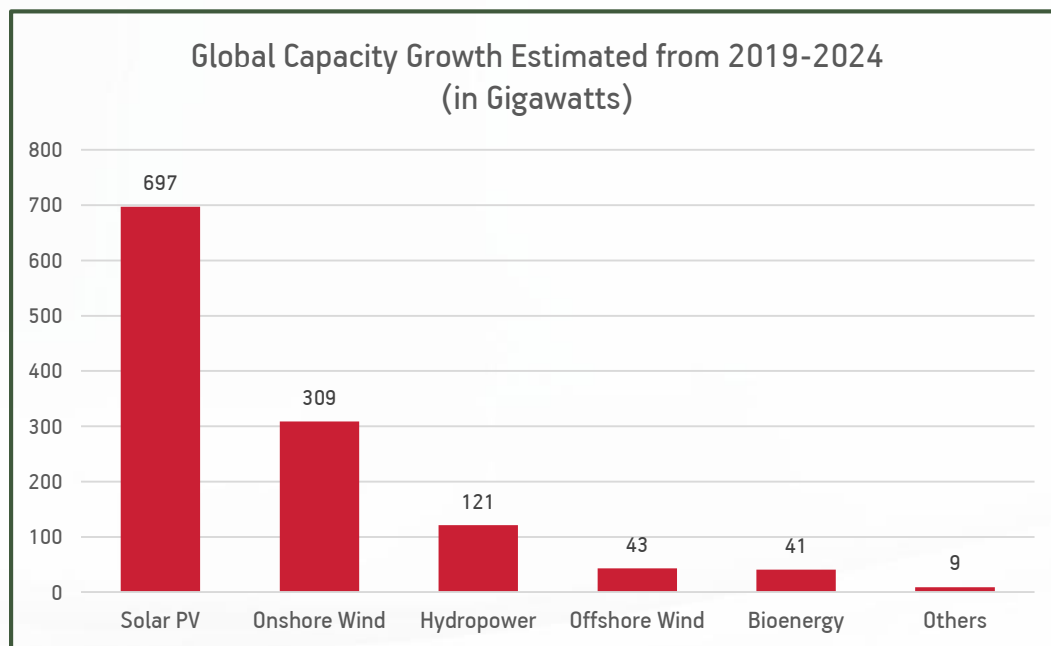
Consumption demand has already come back strongly & expected to move higher

Source : World Silver Survey 2021 / Published as on April 2021



The Sun is shining bright on Silver

An average solar panel uses 20gm of silver, in aggregate – 52.4 mn ounces or 5% of total silver supply.



PLI Scheme - Government's gift to Photovoltaics industry

- ₹4.5k Cr for solar photo voltaic → India to ramp up its manufacturing capacity.
- Expected to add 10 GW capacity of integrated solar photo voltaic manufacturing plants & bring direct investment of around ₹17.2k Cr.

India's promise to the world, 450 GW by 2030

- India recently crossed the 100 GW milestone from solar energy
- Set to achieve its renewable energy target of 450 GW by 2030, with significant chunk of it being attributed to Solar Energy

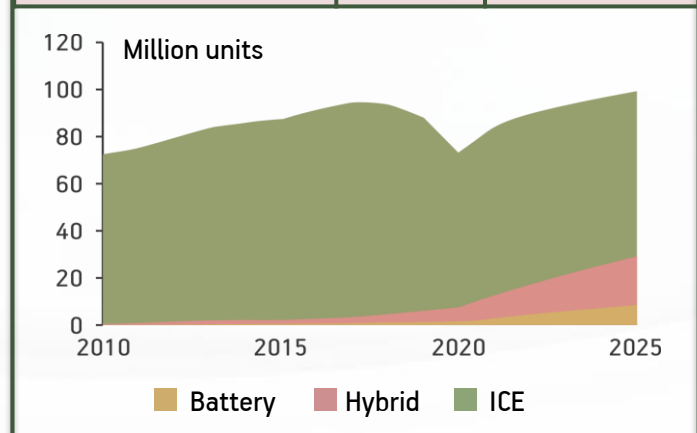
India's resolve for clean energy to drive demand for Silver in the coming years.

1. <https://www.forbes.com/sites/forbesfinancecouncil/2021/08/13/will-green-infrastructure-spur-silver-demand/> (as on August 2021)
2. <https://www.statista.com/chart/19727/renewable-capacity-growth/> (as on October 2019)
3. JM Bullion – USA Today (as on November 2021)

1 million ounces is equivalent to 28 tonnes

Driving Greener with Silver

Types of Vehicles (By Technology)	Silver (gm / car)	Value (in ₹ at ₹68/gm)
Battery Electrical Vehicles (BEV)	25-50	1700-3400
Hybrid Vehicles	18-34	1224-2312
Internal Combustion Engine (ICE) Light Vehicle	15 -28	1020-1904



Phase II of FAME by Government of India

- 92,393 EVs supported under Phase-II of FAME → Demand Incentive ~ ₹278 Cr
- 6265 electrical buses sanctioned to various State/City Transport Undertakings

PLI Scheme was extended to Automobiles and Components sectors

- On average, 5% of the production value is provided as an incentive, so ~₹57k Cr is allocated for automobiles and auto components, and ~₹18k Cr for battery manufacturing.
- PLI scheme extended for advanced chemistry cell battery manufacturing too.

Vehicle Scrappage Policy

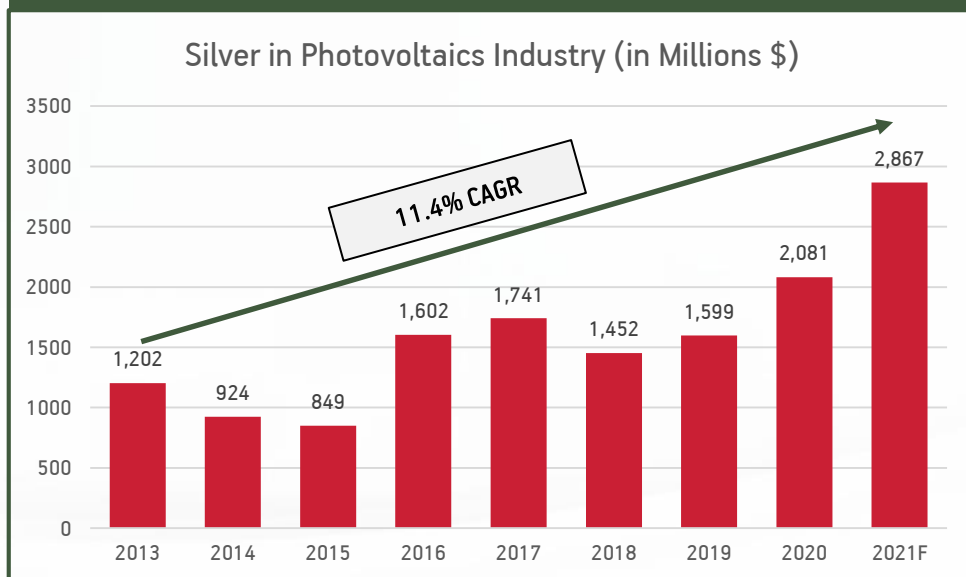
- Through the implementation of this policy alone, the auto industry has the potential to increase its revenue to ~₹10 lakh Cr from the current ₹4.5 lakh Cr → EV to capture a greater chunk of this increase in revenue

EVs & Batteries will see compounding demand in a bigger way in the coming years

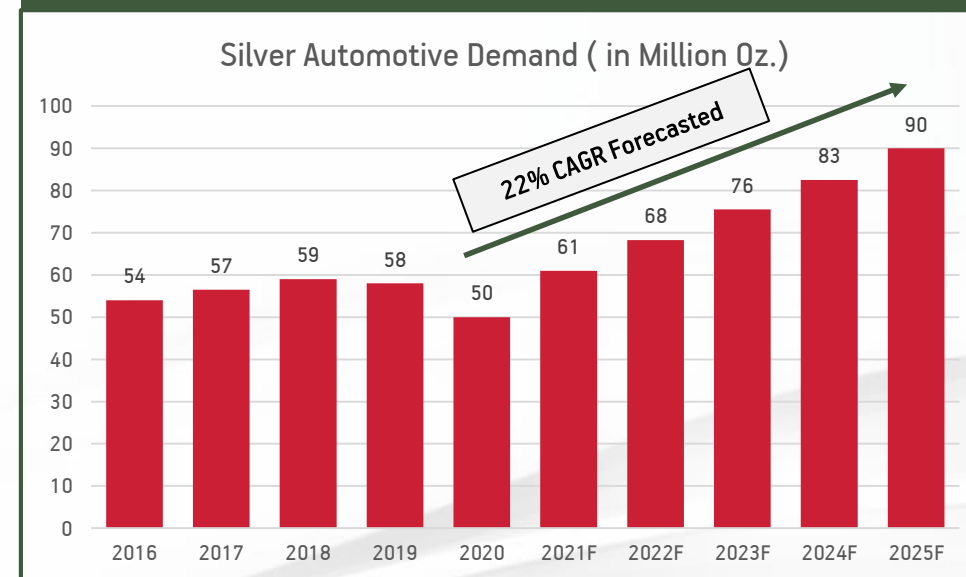
Source: https://www.silverinstitute.org/wp-content/uploads/2021/01/SilverAutomotive_MmktTR2021.pdf (Published as on January 2021)

Strong demand in EVs & Solar Globally too!

The global revenues for Silver in photovoltaics industry has risen by CAGR of 11.5% from 2013 – 2021.



The global demand for Silver in Automobiles industry is forecasted to grow at CAGR of 22% from 2021 – 2025.

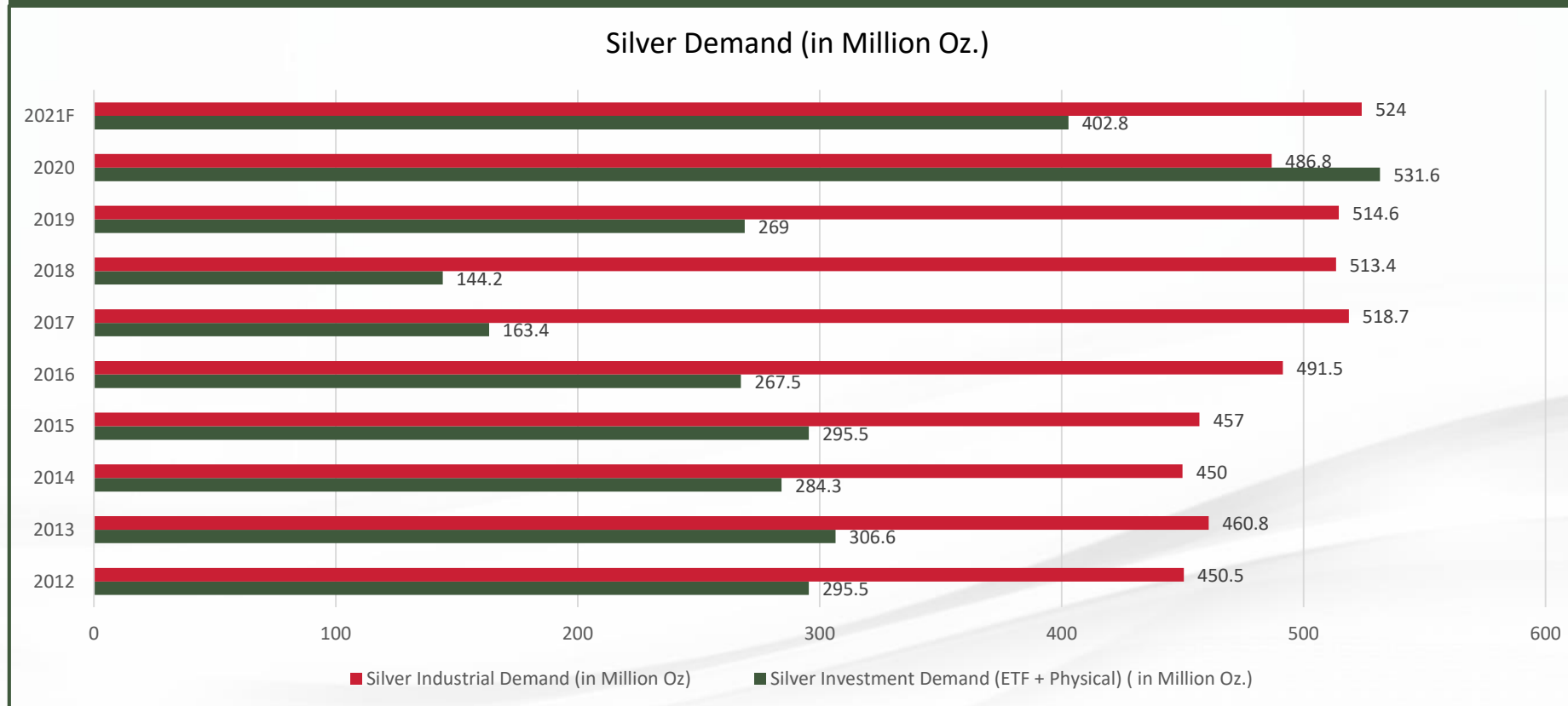


1 million ounces is equivalent to 28 tonnes

Source: https://www.silverinstitute.org/wp-content/uploads/2021/01/SilverAutomotive_MmktTR2021.pdf | World Silver Survey Report (As on April 2021)

Silver: Gaining recognition as an investment

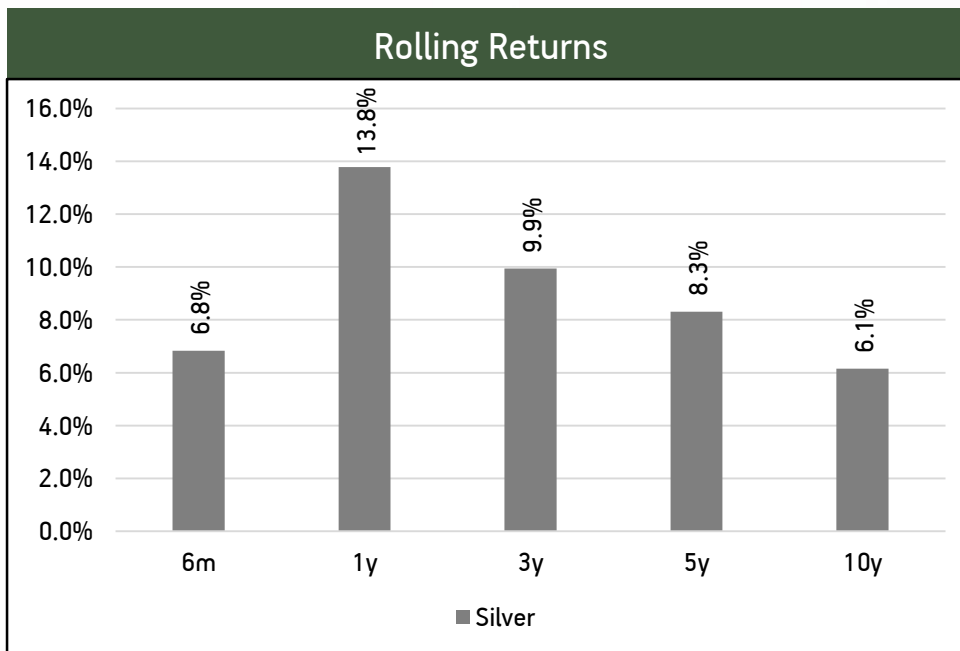
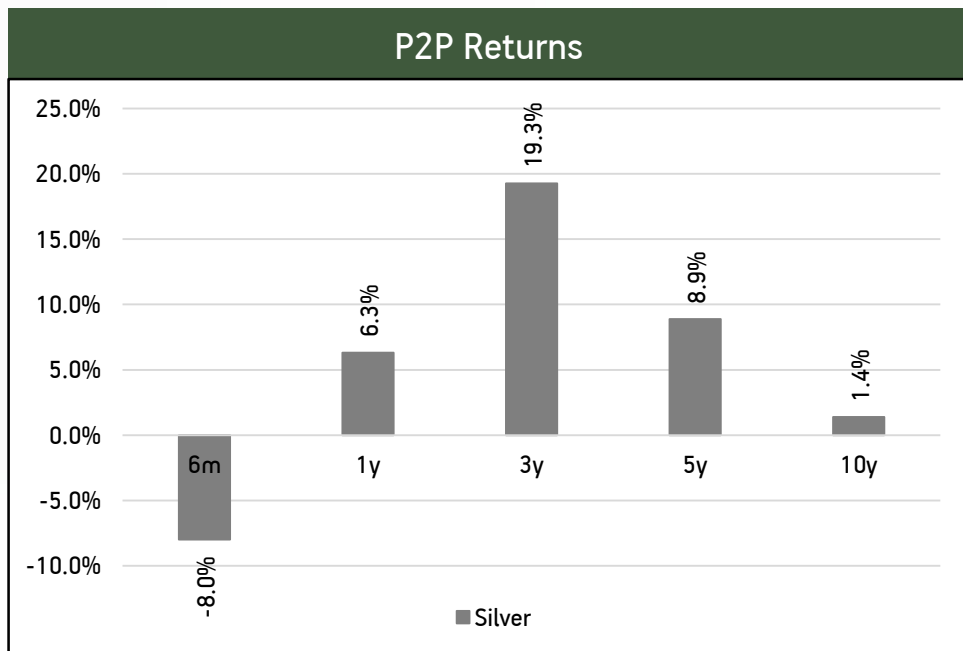
Silver has also lately seen demand as an ETF based investment, crossing 1000 Million ounces recently. In 2020, the demand for Silver as an investment was higher than the Industrial demand for the first time.



1 million ounces is equivalent to 28 tonnes

Source: <https://www.silverinstitute.org/silver-supply-demand/> (as on April 2021)

Silver Performance



	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021*
Silver	1.4%	-7.3%	50.6%	71.4%	8.1%	13.9%	-23.5%	-15.9%	-9.7%	19.6%	-2.8%	-0.2%	21.8%	44.4%	-4.4%

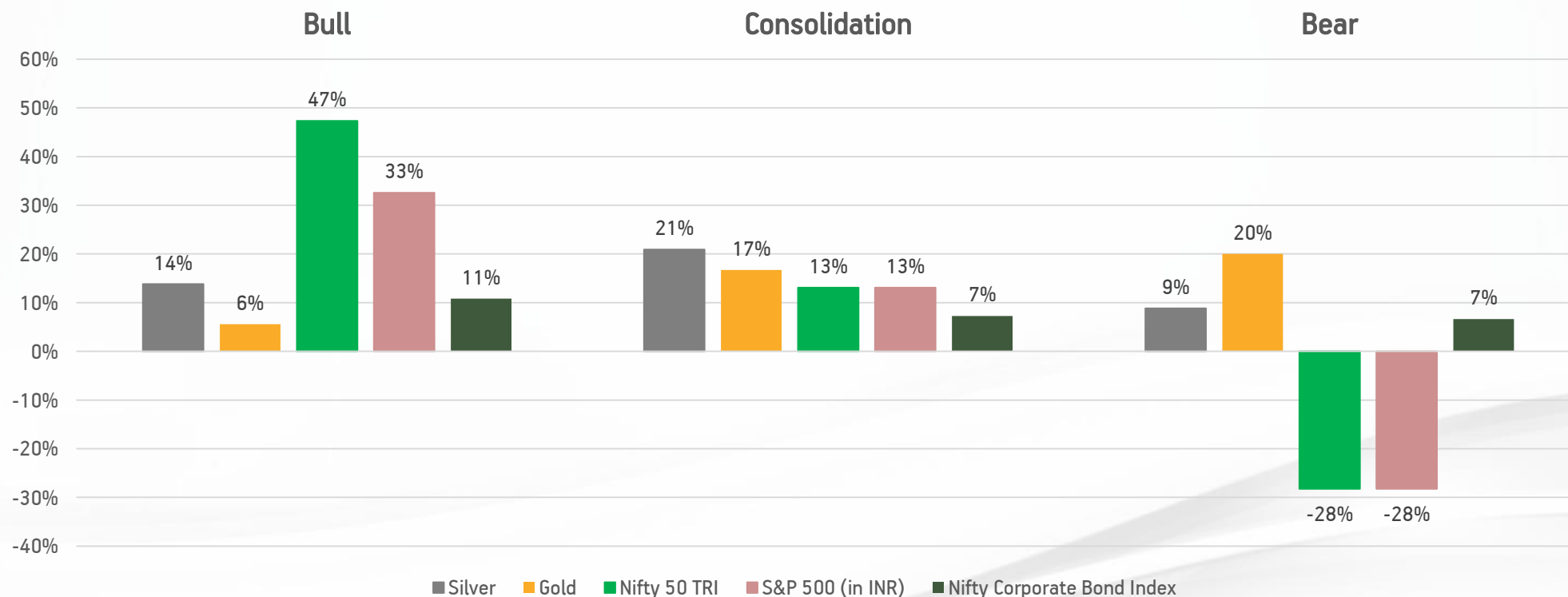
	Silver
Stdev	26.6%
Beta	0.12
Avg Return	13.0%
Risk-return ratio	0.49

Source: MFIE & Bloomberg (From Jan 1, 2007 to Oct 30, 2021) / Note: Rolling returns are average for a particular period on a daily frequency // Note: Past performance may or may not be sustained in the future. Aditya Birla Sun Life AMC Limited /Aditya Birla Sun Life Mutual Fund is not guaranteeing/offering/communicating any indicative yield/returns on investments



Silver - Autopilot through turbulence

Silver has provided reasonably consistent returns investors through various phases of economy:



Silver has provided reasonably consistent returns through all the phases of economy when compared with other assets.

Source: Bloomberg (for MCX Silver, S&P 500 (Converted to INR), MFIE (for Gold, Nifty 50 TRI & Corporate Bond Index) Dates : 29/10/2005 to 30/09/2021. The weighted average for bull, bear & consolidated phases economy (as identified in appendix have been taken into account for computation of these figures). Past Performance may or may not be sustained in the future. Aditya Birla Sun Life AMC Limited /Aditya Birla Sun Life Mutual Fund is not guaranteeing/offering/communicating any indicative yield/returns on investments



Silver: At the optimal spot on the correlation matrix

Correlation Table of Silver

	<i>Gold</i>	<i>Silver</i>	<i>Nifty 50 TRI</i>	<i>S&P 500 (in INR)</i>	<i>Nifty Corporate Bond Index</i>
Gold		0.74	-0.04	-0.03	0.00
Silver	0.74		0.11	-0.02	-0.01
Nifty 50 TRI	-0.04	0.11		0.17	0.01
S&P 500 (in INR)	-0.03	-0.02	0.17		0.03
Nifty Corporate Bond Index	0.00	-0.01	0.01	0.03	

Silver provides a natural hedge in bear phases and is receptive to market movements in bull phases. This makes it a very desirable in a portfolio for diversification purposes.

Source: Bloomberg (for MCX Silver, S&P 500 (Converted to INR), MFIE (for Gold, Nifty 50 TRI & Corporate Bond Index) / Date : 29/10/2005 to 30/11/2021



Presenting

Aditya Birla Sun Life Silver ETF

(An open ended exchange traded fund tracking physical price of Silver)

&

Aditya Birla Sun Life Silver ETF Fund of Fund

(An open ended fund of fund scheme investing in the units of Aditya Birla Sun Life Silver ETF)



Aditya Birla Sun Life Silver ETF

What is it?



An open ended Exchange Traded Fund which invests in physical silver of 99.9% purity (fineness)

Investment Objective



The investment objective of the scheme is to generate returns that are in line with the performance of physical silver in domestic prices, subject to tracking error.
The Scheme does not guarantee/indicate any returns. There can be no assurance that the schemes' objectives will be achieved

How one can invest in Aditya Birla Sun Life Silver ETF?

- Each unit of the fund shall be approximately equal to 1 gram of silver
- During NFO period, the units can be bought directly through the mutual fund.
- Once the scheme reopens for subscription, the units can be bought or sold directly on the exchange
- The ETF units can be bought or sold through the mutual fund, provided it meets the creation unit size as prescribed by the AMC



Why is Aditya Birla Sun Life Silver ETF better than holding physical silver?



Aditya Birla Sun Life Silver ETF Fund of Fund

What is it?



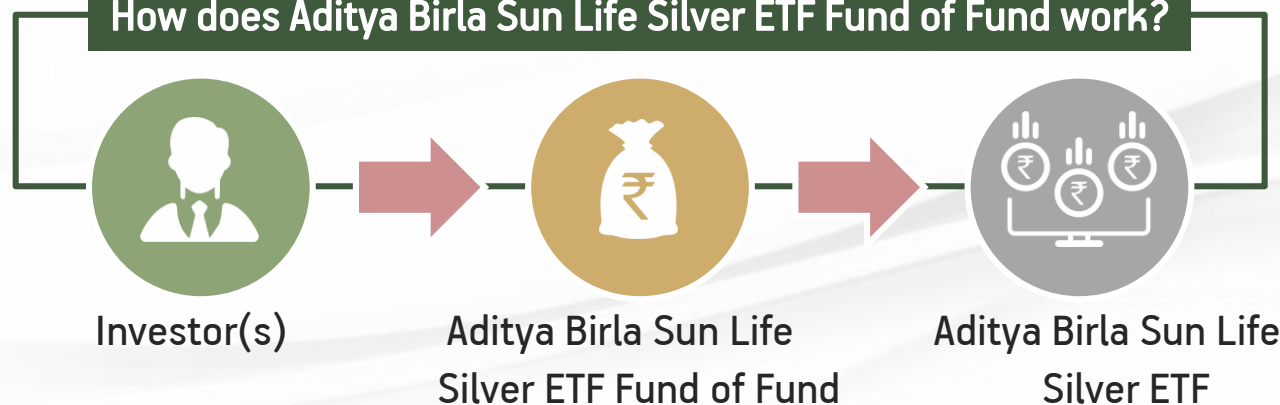
An open ended fund of fund scheme investing in the units of Aditya Birla Sun Life Silver ETF, which in turn invests in physical silver of 99.9% purity (fineness)

Investment Objective



The investment objective of the scheme is to provide returns similar to the returns generated by Aditya Birla Sun Life Silver ETF. The Scheme does not guarantee/indicate any returns. There can be no assurance that the objective of the scheme will be achieved

How does Aditya Birla Sun Life Silver ETF Fund of Fund work?



Why is Aditya Birla Sun Life Silver ETF Fund of Fund better than holding physical silver?



A quick recap – 5 key reasons to invest in silver

Demand is forecasted
to grow at a higher
pace than supply



Consumption (jewelry) &
investment (ETFs) demand
to drive prices



Government push for Solar
Panels, EVs, etc. to push
demand



Technicals are in favor
of silver as an asset
class



Potential hedge against inflation
& bear markets as well as
receptive to bull markets*



*Refer appendix for more details



Scheme Details- Aditya Birla Sun Life Silver ETF

Scheme Name	Aditya Birla Sun Life Silver ETF		
Scheme Type	An Open ended exchange traded fund tracking the price of physical silver		
Fund Manager	Lovesh Solanki, Kedarnath Mirajkar (for ETCD)		
Investment Objective	The investment objective of the scheme is to generate returns that are in line with the performance of physical silver in domestic prices, subject to tracking error. The Scheme does not guarantee/indicate any returns. There can be no assurance that the schemes' objectives will be achieved		
Investment Strategy	<p>The scheme will be managed passively with investments in physical silver of prescribed quantity and quality (fineness) and endeavour to track the spot price of silver. The investment strategy would revolve around reducing the tracking error to the least possible extent. The scheme may also invest in cash and debt/ money market instruments, in compliance with Regulations to meet liquidity and expense requirements.</p> <p>Investment in other Schemes The Scheme may, in line with its investment objectives, invest in another Scheme under the management of ABSLAMC or of any other Asset Management Company. The aggregate inter scheme investment by Aditya Birla Sun Life Mutual Fund under all its Schemes, other than fund of fund schemes, taken together, in another Scheme managed by ABSLAMC or in any other Scheme of any other Mutual Fund, shall not be more than 5% of the net asset value of the Fund. No fee shall be charged by the AMC on any investment in another Scheme under the management of ABSLAMC or of any other Asset Management Company.</p>		
Asset Allocation pattern	Investments	Indicative Allocation	Risk Profile
	Silver and Silver related Instruments	95%-100%	Medium
	Debt & Money market instruments (including Cash and Cash Equivalent)	0%-5%	Low to Medium
Exit Loads	Entry Load: NIL Exit Load: NIL		
Benchmark	Price of silver (based on LBMA Silver daily spot fixing price).		

For more details, please refer the SID / KIM of the schemes



Scheme Details- Aditya Birla Sun Life Silver ETF Fund of Fund

Scheme Name	Aditya Birla Sun Life Silver ETF Fund of Fund		
Scheme Type	An open ended fund of fund scheme investing in the units of Aditya Birla Sun Life Silver ETF		
Fund Manager	Lovesh Solanki, Kedarnath Mirajkar		
Investment Objective	The investment objective of the scheme is to provide returns similar to the returns generated by Aditya Birla Sun Life Silver ETF. The Scheme does not guarantee/indicate any returns. There can be no assurance that the objective of the scheme will be achieved.		
Investment Strategy	The investment objective of the scheme is to provide returns that tracks returns provided by Aditya Birla Sun Life Silver ETF. To achieve the investment objective, the scheme will invest in units of Aditya Birla Sun Life Silver ETF. Accordingly, the Scheme may buy/sell the units of Aditya Birla Sun Life Silver ETF either directly with the Fund or through the secondary market on the Stock Exchange(s). The scheme would also invest in debt & money market securities to the extent necessary to meet the liquidity requirements for the purpose of repurchases or redemptions. The AMC shall endeavor that the returns of Aditya Birla Sun Life Silver ETF Fund of Fund shall correspond with that of Aditya Birla Sun Life Silver ETF to its best efforts. The deviation from the underlying Aditya Birla Sun Life Silver ETF as specified above shall mainly be on account of the receipt of cash flows which on an average takes 5 days given the existing operational procedure		
Asset Allocation pattern	Investments	Indicative Allocation	Risk Profile
	Units of Aditya Birla Sun Life Silver ETF	95%-100%	Medium
	Debt & Money market instruments (including Cash and Cash Equivalent)	0%-5%	Low to Medium
Exit Loads (applicable at the plan level)	For redemption/switch-out of units on or before 30 days from the date of allotment: 0.5% of applicable NAV. For redemption/switch-out of units after 30 days from the date of allotment: NIL.		
Benchmark	Price of silver (based on LBMA Silver daily spot fixing price).		

For more details, please refer the SID / KIM of the schemes

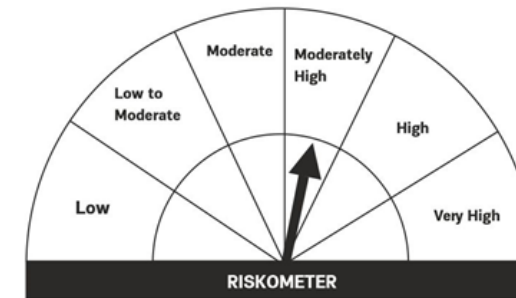
Product Labelling – Aditya Birla Sun Life Silver ETF

Aditya Birla Sun Life Silver ETF

(An open ended exchange traded fund tracking physical price of Silver)

This Product is suitable for investors who are seeking*:

- Investors seeking returns that are in line with the performance of silver over the long term, subject to tracking errors
- Investments in physical silver of 99.9% purity (fineness)

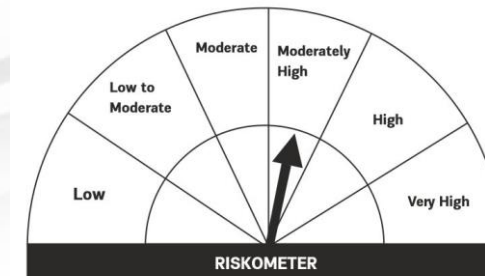


Investors understand that their principal will be at Moderately High risk

*Investors should consult their financial advisers 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.

**Risk-o-meter of the Benchmark of the Scheme – price of silver
(based on LBMA Silver daily spot fixing price).**



Investors understand that their principal will be at Moderately High risk



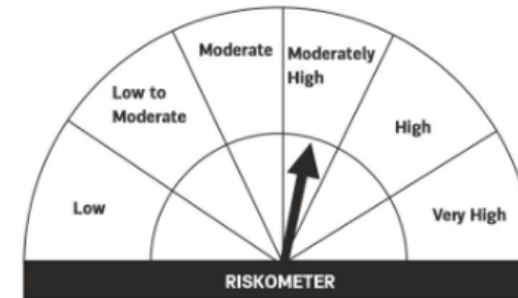
Product Labelling – Aditya Birla Sun Life Silver ETF Fund of Fund

ADITYA BIRLA SUN LIFE SILVER ETF FUND OF FUND

(An open ended fund of fund scheme investing in the units of Aditya Birla Sun Life Silver ETF)

This product is suitable for investors who are seeking*:

- Investors seeking returns that are in line with the performance of Aditya Birla Sun Life Silver ETF over the long term.
- Investments in the units of Aditya Birla Sun Life Silver ETF, which in turn invests in physical silver of 99.9% purity (fineness)

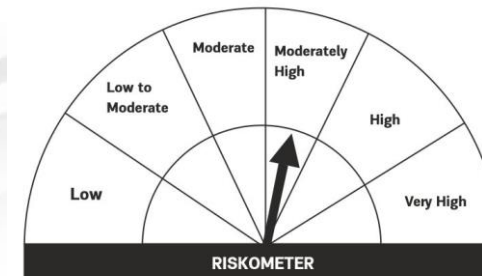


Investors understand that their principal will be at Moderately High risk

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

The product labeling 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.

Risk-o-meter of the Benchmark of the Scheme – price of silver (based on LBMA Silver daily spot fixing price).



Investors understand that their principal will be at Moderately High risk



THANK YOU!



Annexure - Price Movement of Silver



	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021*
Silver	1.4%	-7.3%	50.6%	71.4%	8.1%	13.9%	-23.5%	-15.9%	-9.7%	19.6%	-2.8%	-0.2%	21.8%	44.4%	-4.4%

	Silver
Stdev	26.6%
Beta	0.12
Avg Return	13.0%
Risk-return ratio	0.49

Source: Bloomberg Dates : 29/10/2005 to 30/10/2021.
Past performance may or may not be sustained in the future.



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

Risk Factors: Aditya Birla Sun Life AMC Limited is not liable or responsible for any loss or shortfall resulting from the operation of the scheme. This document represents the views of Aditya Birla Sun Life AMC Limited and must not be taken as the basis for an investment decision. Neither Aditya Birla Sun Life Mutual Fund, Aditya Birla Sun Life AMC Limited, its Directors or associates shall be liable for any damages including lost revenue or lost profits that may arise from the use of the information contained herein. No representation or warranty is made as to the accuracy, completeness or fairness of the information and opinions contained herein. The AMC reserves the right to make modifications and alterations to this statement as may be required from time to time.

Aditya Birla Sun Life AMC Limited /Aditya Birla Sun Life Mutual Fund is not guaranteeing/offering/communicating any indicative yield/returns on investments. The document is solely for the information and understanding of intended recipients only. If you are not the intended recipient, you are hereby notified that any use, distribution, reproduction or any action taken or omitted to be taken in reliance upon the same is prohibited and may be unlawful. Wherever possible, all the figures and data given are dated, and the same may or may not be relevant at a future date. In the preparation of the material contained, ABSLAMC has used information that is publicly available including information developed in-house. Information gathered and material used in this document is believed to be from reliable sources. Further the opinions expressed and facts referred to in this document are subject to change without notice and ABSLAMC is under no obligation to update the same. While utmost care has been exercised, ABSLAMC or any of its officers, employees, personnel, directors make no representation or warranty, express or implied, as to the accuracy, completeness or reliability of the content and hereby disclaim any liability with regard to the same. Recipients of this material should exercise due care and read the scheme information document (including if necessary, obtaining the advice of tax/legal/accounting/financial/other professional(s) prior to taking of any decision, acting or omitting to act. Further, the recipient shall not copy/circulate/reproduce/quote contents of this document, in part or in whole, or in any other manner whatsoever without prior and explicit approval of ABSLAMC. Investment in Mutual Funds Schemes carry high risk. 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).

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

