

Aditya Birla Sun Life

Nifty 50 Equal Weight Index Fund

(An open ended scheme tracking the Nifty 50 Equal Weight TR Index)

The **Equal Opportunity** Index

NFO Opening Date - 19th May 2021 | NFO Closing Date - 2nd June 2021



Which cricket team would you prefer owning?



Cricket Teams of 1990s

Historically, the team performed well mostly in Indian conditions, riding on the back of the top 2 - 3 Star Batsmen wickets.



The New Age Cricket Team

Today the team has a deeper batting order, with multiple match winners; playing well in all conditions with higher win probabilities

When all players bring EQUAL match-winning potential to the team, then the chances of winning are higher



What type of team is your Index fund?



OR



Is it influenced by a few Heavyweights or Stars?

Does it have an Equal representation by top-notch Companies?



Top Stars versus an All-Stars Team

Nifty 50 Index

S.No.	Company Name	Weightage (%)
1	Reliance Industries Ltd.	10.19
2	HDFC Bank Ltd.	9.72
3	Infosys Ltd.	7.93
4	HDFC Ltd.	6.89
5	ICICI Bank Ltd.	6.56
		~41%

- Nifty 50 is based on Market capitalization (Mcap)
- Higher the Mcap, higher is the weightage of the stock in the index
- During FY 2018 -19, Reliance had around 10% weightage and alone contributed to more than 20% to the growth of the Nifty 50

Nifty 50 Equal Weight Index

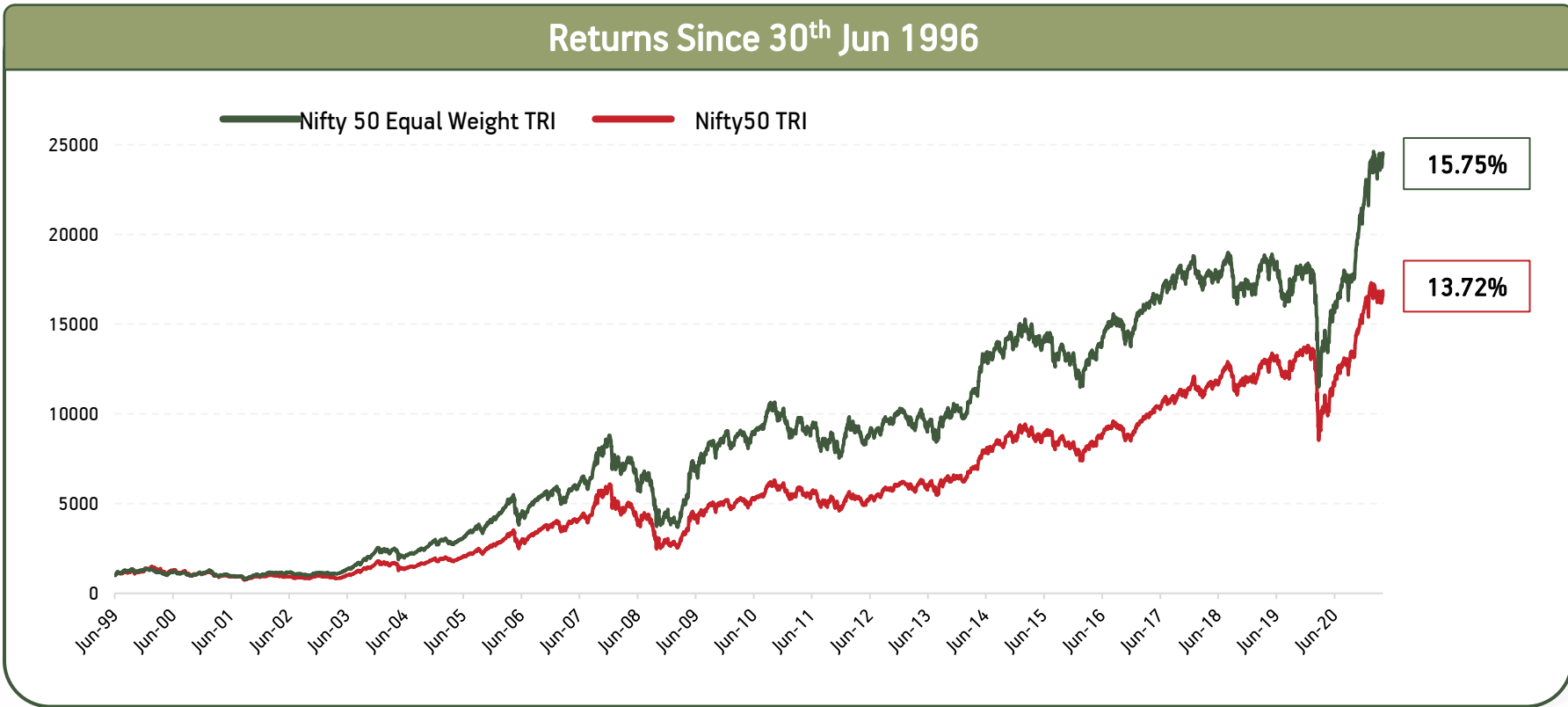
S.No.	Company Name	Weightage (%)
1	Reliance Industries Ltd.	1.90
2	HDFC Bank Ltd.	1.83
3	Infosys Ltd.	1.93
4	HDFC Ltd.	1.86
5	ICICI Bank Ltd.	1.99
		~9.5%

- All constituents of the Nifty 50 are a part of this index; with a ~2% allocation each
- All companies are treated equally irrespective of their relative Mcap.
- Nifty 50 stocks like JSW Steel, Tata Steel, Tata Motors gave over 200% return* over the last year. Their combined weightage in Nifty 50 is only ~2.5% as compared to ~6% in the Nifty 50 Equal Weight index.

But like in Cricket, does an Equal Weight Index outperform Regular Index? Let's find out.



Nifty 50 Equal Weight Index has outperformed Nifty 50 Index



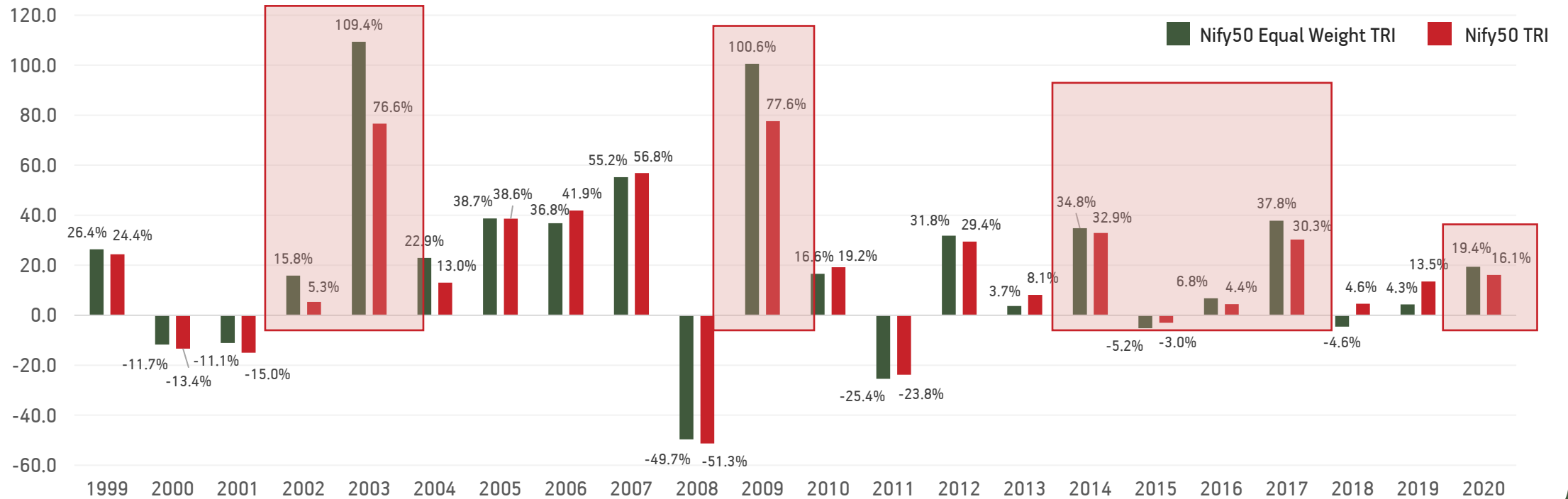
The last one year has also been a period of outperformance for the Nifty 50 Equal Weight TRI having returned **66.28%** against **49.89%** for the Nifty 50 TRI.

The Nifty 50 Equal Weight Index has outperformed the Nifty 50 Index over short & long term



Broad Market Rally Conducive for Nifty 50 Equal Weight Index

Nifty50 Equal Weight Index outperformed the Nifty 50 Index in 2002 & 2003 (after the 2000-01 dot com crash), 2009 (after the 2008 Global Financial Crisis), 2014-17 (NDA coming to power) and in 2020 (resurgence after the pandemic related sell-off in Q1 2020)



The Nifty 50 Equal Weight Index tends to outperform the Nifty 50 Index when there is a broad market rally, often the case after a large market decline.



Indian Stock Market has entered a Broad-based Rally

We have already seen a major correction and the start of broad based market rally last year

Narrow rally in the past...

	FY 2018-19* Return (%)
NIFTY Bank	25.40%
NIFTY Financial Services	22.89%
NIFTY IT	24.91%
NIFTY Pharma	11.83%
NIFTY Healthcare	9.55%
NIFTY Metals	-13.34%
NIFTY Auto	-23.81%

- Narrow based rally reflected in double digit performance of 'heavyweight' sectors
- While other sectors fell short considerably

...To a broader based rally today

	FY 2020-21* Return (%)
NIFTY Bank	73.97%
NIFTY Financial Services	68.67%
NIFTY IT	102.57%
NIFTY Pharma	71.01%
NIFTY Healthcare	66.34%
NIFTY Metals	150.79%
NIFTY Auto	108.45%

- 2020-21 saw a considerable recovery across the board
- heralding an era of 'broad based' growth



NIFTY 50 Equal Weight Index at the Right Place, Right Time

A positive indicator from the last year's recovery

	FY 2020-21
Nifty 50 Annual Return	70.87%
Nifty 50 Equal Weight Annual return	86.21%

Equal allocation to the 50 large caps can **benefit from growth opportunities across the board** rather than relying on the performance of few heavyweights

This allows lower ranked companies to contribute to the growth of the index as well.

Top Nifty 50 companies	Increase in Net profit* FY 2020-21
HDFC Bank	18%
Reliance Industries	195%
HDFC Ltd	42%
ICICI Bank	261%
Kotak Mahindra Bank	33%
Hindustan Unilever	41%

While most of the top Nifty 50 companies
have recorded double digit growth

Nifty 50 companies each with less than 2%
allocation have shown just as remarkable growth

Other Nifty 50 companies	Increase in Net profit* FY 2020-21
Titan	48%
Nestle India	15%
Hero MotoCorp	39%
Wipro	39%
Bajaj Finserv	30%
IndusInd Bank	190%

Heralding an era of 'broad based growth' for the NIFTY 50 Equal Weight Index to capitalise on

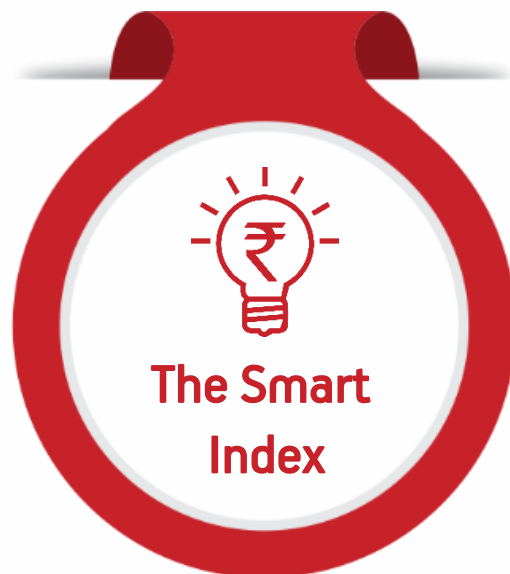


And there's more..

The Nifty 50 Equal
Weight Index has an
Inside Edge

Its smarter **Asset Allocation & Auto Rebalancing** makes
for **Intelligent Investing**

Why Nifty 50 Equal Weight is a Smart & Intelligent Index?



**High Stock & Sectoral
Diversification**
Resulting in
Lower Risk

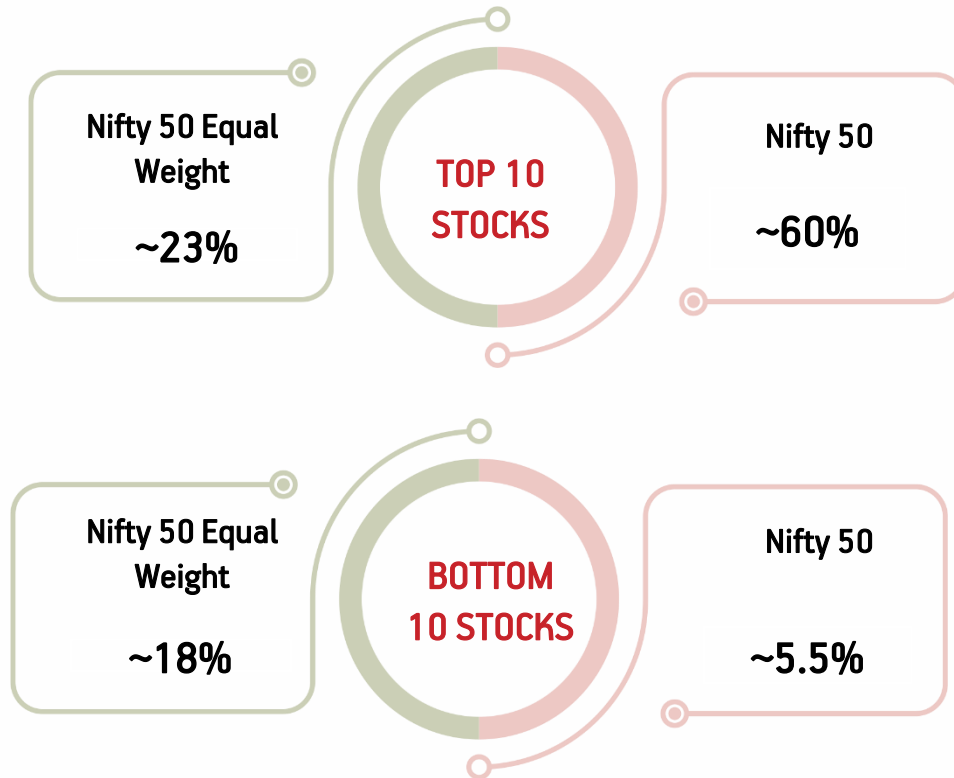


**Auto Quarterly
Rebalancing**
Resulting in
Auto Profit Booking

Nifty 50 Equal Weight Index - Higher Stock & Sectoral Diversification Explained

Nifty50 Equal Weight Index provides more diversification at the stock level compared to the Nifty 50 Index

Nifty50 Equal Weight Index has broader sectoral representation as compared to the Nifty 50 Index



Comparison of sector exposure between the Nifty50 Equal Weight Index & Nifty 50 Index (%)

Sector	Nifty 50 Equal Weight	Nifty 50
FINANCIAL SERVICES	21.5	37.8
CONSUMER GOODS	13.6	11.1
AUTOMOBILE	11.2	5.23
METAL	9.9	3.6
IT	9.8	16.5
PHARMA	8.8	3.6
GAS & OIL	7.7	11.8
CEMENT & CEMENT PRODUCTS	5.6	2.5
POWER	3.8	1.6
SERVICES	2.0	0.8
TELECOM	2.0	2.0
FERTILISERS & PESTICIDES	1.9	0.5
CONSTRUCTION	1.8	2.5

With a period of economic recovery on the anvil, high growth sectors like cement & cement products, pharma, metals and services, are better represented in the NIFTY 50 Equal Weight Index

Nifty 50 Equal Weight - Risk Adjusted Returns

- Nifty 50 Equal Weight index is relatively insulated from stock and sectoral risk
- The Nifty 50 index for example is currently overweight on the 'financial services' sector
- A downswing in the financial services sector will have a greater negative impact on the Nifty 50
- At a stock level also, a fall in one of the top 5 stocks can lead to a higher quantum fall in the Nifty 50

Periods	CAGR Returns		Annualized Volatility		Risk Return Ratio	
	Nifty 50 Equal Weight TRI	Nifty 50 TRI	Nifty 50 Equal Weight TRI	Nifty 50 TRI	Nifty 50 Equal Weight TRI	Nifty 50 TRI
Since June 30, 1999	15.7%	13.7%	22.5%	23.2%	0.70	0.59
20 Years	17.3%	15.3%	22.1%	22.4%	0.78	0.68
15 Years	10.8%	11.2%	22.9%	22.9%	0.47	0.49
10 Years	9.8%	11.2%	18.1%	17.6%	0.54	0.64
7 Years	11.9%	13.2%	18.0%	17.6%	0.66	0.75
5 Years	12.8%	14.7%	18.4%	18.3%	0.69	0.80
3 Years	10.6%	12.2%	21.8%	21.9%	0.49	0.56
1 Year	66.3%	49.9%	19.8%	19.7%	3.34	2.53
6 Months	39.2%	26.1%	19.3%	19.0%	2.04	1.37
3 Months	12.7%	7.6%	22.1%	22.6%	0.58	0.34

Higher Diversification in Nifty 50 Equal Weight leads to lower concentration risk at an individual stock and overall sector level



NIFTY 50 Equal Weight Index - Intelligence Inside



Simple and low-cost investment product

- Gain wide exposure to the equity market in a hassle-free manner with low minimum investments and low management costs



Automatic Reconstitution

Keeps you invested in 'top movers' of the economy

- Index is automatically re-constituted every 6 months, in line with the NIFTY 50
- Allowing for '**natural selection**' - Typically companies that do well stay in the index while others drop out
- Seeks to gain from collective wisdom of the market



Automatic Rebalancing

'Smart and periodic' booking of profits. The portfolio is rebalanced on a **quarterly basis**

Let's say stock A is in the index at a price of INR 1,000 at a 2% allocation. Its price skyrockets over the quarter, touching INR 1,500. This now puts Stock A at a 6% allocation in the portfolio. On the rebalancing date, the excess 4% of the stock will be sold leading to an automatic profit booking & the proceeds will be re-invested into stocks which have fallen & have less than 2% allocation



Results in an automatic and periodic booking of profits for investors

- Goes a step ahead of traditional 'passive investing' through periodic re-allocation and booking of profits along the way



Nifty 50 Equal Weight Index - Keeps investing SIMPLE



Simple and unbiased, equal weighted allocation



less likely to be affected by skewed market sentiment, as allocation remains same irrespective of relative market capitalization



Invests in Top 50 large cap companies



Your portfolio gets diversified access to the 'leaders' of the market



Stocks move in and out of the index on the same principle as that of the NIFTY 50 Index



Ensuring investors remain invested in the top movers of the market



Access to wide portfolio with lower investment amounts



Investing in the stocks of the NIFTY 50 would require a minimum investment of INR 1.48 lacs *

Investing in equal proportion will require a minimum investment of almost 10 times this amount – ~INR 15 lacs*

Index investing makes this possible with very low minimums



Lower Expense



Being a passive fund tend to have low turnover and low expense ratio.

Presenting

Aditya Birla Sun Life

Nifty 50 Equal Weight Index Fund

(An open ended scheme tracking the Nifty 50 Equal Weight TR Index)





Aditya Birla Sun Life Nifty 50 Equal Weight Index Fund



Investment Objective:

The investment objective of the scheme is to provide returns that closely correspond to the total returns of securities as represented by Nifty 50 Equal Weight TR Index, subject to tracking errors.

The Scheme does not guarantee/indicate any returns. There can be no assurance that the schemes' objectives will be achieved.



Stocks it tracks:

An alternative weighing scheme to its market capitalization weighted parent index, the NIFTY 50 Index. The index includes the same constituents as its parent, however, weighted equally



Performance:

Intends to measure the performance of top 50 large cap companies on the NSE



Index Calculation Methodology:

Equal Weighted - Equal weight to be assigned to all companies in the Index



Aditya Birla Sun Life Nifty 50 Equal Weight Index Fund



Sectors Representation

Sector	Weight (%)
Financial Services	21.52
Consumer Goods	13.64
Automobile	11.24
Metals	9.99
IT	9.81
Pharma	8.82
Oil & Gas	7.72
Cement & Cement Products	5.64
Power	3.82
Services	2.01
Telecom	2.01
Fertilisers & Pesticides	1.93
Construction	1.85

- Greater diversification with lower concentration in top sectors
- Top 5 sectors occupy 66.20% of the index vis-a-vis 82.48% in the Nifty 50

Index Return (%)	QTD	YTD	1 Year	5 Years	Since Inception
Nifty 50 Equal Weight TRI	2.16	12.43	66.28	12.77	13.70
Nifty 50 TRI	-0.36	4.93	49.89	14.72	11.09^

Considerably higher return over the last year than Nifty 50.

Statistic ^{##}	1 Year	5 Years	Since Inception
Std. Deviation*	19.38	18.40	23.24
Beta (Nifty 50)	0.95	0.96	0.94
Correlation (Nifty 50)	0.94	0.96	0.96

Similar volatility levels as Nifty 50 but with higher returns!
Std. Deviation of Nifty 50 Index since inception of EW Index is 23.85

Fundamentals

P/E	P/B	Dividend Yield
33.75	3.59	1.45

Higher Dividend Yield than Nifty 50
Div Yield of Nifty 50 is 1.0

^ Since Inception return pertains to Nifty 50 Index because of unavailability of data for TR Index and refers to base date i.e 3rd Nov 1995. Source: <https://www.niftyindices.com/>; Data as on 30th April, 2021



Why Invest in Aditya Birla Sun Life Nifty 50 Equal Weight Index Fund?

- Provides portfolio exposure to high growth potential of equity sector by investing in the Top 50 large cap companies on the NSE
- Equal weightage makes for a more diversified portfolio – reducing concentration and sectoral risk for investors
- Equal weightage gives uniform opportunity to all stocks in the portfolio to shine in times of growth
- 'Smart' investing strategy allows for periodic booking of profits in stocks that have grown
- **Provides opportunity to capitalise on broad based economic growth in the country**
- All in all, suitable for investors looking for a 'intelligent and simple' long-term addition to their portfolio at low minimum investments

Aditya Birla Sun Life

Nifty 50 Equal Weight Index Fund





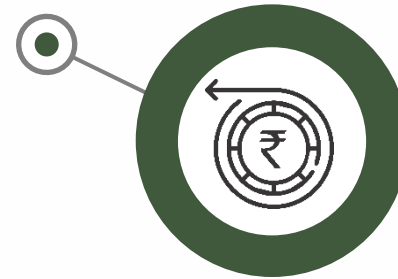
Ride the market rally -

capitalise on the broad based growth opportunities arising as the economy revival begins



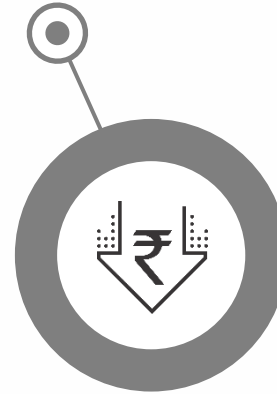
Keep it simple but smart -

Leave stock selection and profit booking to the index



Invest and rest -

Allocate 15-20% of your portfolio to a 'quasi-passive' fund like the ABSL NIFTY 50 Equal Weight Index seeks to achieve hassle-free long term capital appreciation



Keep costs low -

Maximise returns with minimum cost

Add a Team of Players with 'EQUAL Match-Winning Potential' to your portfolio



Aditya Birla Sun Life NIFTY 50 Equal Weight Index Fund: Features & Asset Allocation



Scheme Name	Aditya Birla Sun Life Nifty 50 Equal Weight Index Fund
Fund Manager	Mr. Lovelish Solanki
Scheme Type	An open ended scheme tracking the Nifty 50 Equal Weight TR Index
Investment Objective	<p>The investment objective of the scheme is to provide returns that closely correspond to the total returns of securities as represented by Nifty 50 Equal Weight Index , subject to tracking errors.</p> <p>The Scheme does not guarantee/indicate any returns. There can be no assurance that the schemes' objectives will be achieved.</p>
Scheme Benchmark	Nifty 50 Equal Weight Index
Asset Allocation	Equity & Equity related securities constituting the Nifty 50 Equal Weight Index : 95% - 100%. Debt and Money Market Instruments: 0-5%.
Plans & Options	Regular Plan and Direct Plan; Both plans will have two options: Growth and Income Distribution cum Capital Withdrawal Option (IDCW) . Payout of IDCW & Re-investment of IDCW
Entry & Exit Load	Entry Load : NIL; Exit Load : Nil
NFO Open Date	19 th May 2021
NFO Close Date	2 nd June 2021

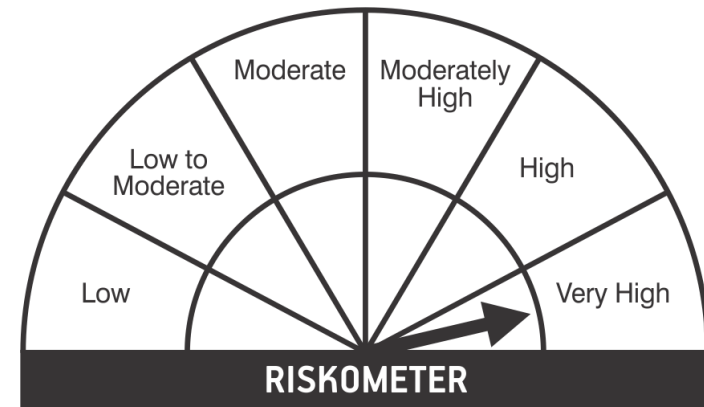


Aditya Birla Sun Life Nifty 50 Equal Weight Index Fund: Risk Factors & Suitability



This product is suitable for investors who are seeking*:

- Long Term Capital Appreciation
- Investments in Equity and Equity related securities and replicates the composition of the Nifty 50 Equal Weight TR Index



Investors understand that their principal will be at Very High risk

*Investors should consult their financial advisors 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



Thanks



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ANNEXURES



Weight of constituents of Nifty50 Equal Weight Index & Nifty 50 Index as of April 30th, 2021

Sr. No	Company Name	Nifty 50 Weightage(%)	Nifty 50 Equal Weight Weightage(%)
1	Reliance Industries Ltd.	10.19	1.90
2	HDFC Bank Ltd	9.72	1.83
3	Infosys Limited	7.93	1.93
4	Housing Development Finance Corporation Ltd	6.89	1.86
5	ICICI Bank Ltd.	6.56	1.99
6	Tata Consultancy Services Ltd.	4.97	1.88
7	Kotak Mahindra Bank Limited	4.05	1.88
8	Hindustan Unilever Ltd.	3.32	2.00
9	Axis Bank Ltd.	2.84	1.95
10	ITC Ltd	2.80	1.82
11	Larsen and Toubro Ltd.	2.56	1.85
12	Bajaj Finance Ltd.	2.28	2.02
13	State Bank of India	2.14	1.89
14	Bharti Airtel Ltd.	2.05	2.01
15	Asian Paints Limited	1.81	2.00
16	HCL Technologies Ltd.	1.54	1.78
17	Maruti Suzuki India Limited	1.36	1.80
18	Tata Steel Ltd.	1.27	2.71
19	UltraTech Cement Limited	1.15	1.79
20	Wipro Ltd.	1.15	2.34
21	Mahindra & Mahindra Ltd.	1.14	1.80
22	Sun Pharmaceutical Industries Ltd.	1.12	2.16
23	JSW Steel Ltd.	1.10	3.11
24	Bajaj Finserv Ltd.	1.06	2.31
25	Dr Reddys Laboratories Ltd.	0.99	2.24



Weight of constituents of Nifty50 Equal Weight Index & Nifty 50 Index as of April 30th, 2021

Sr. No	Company Name	Nifty 50 Weightage(%)	Nifty 50 Equal Weight Weightage(%)
26	Titan Company Ltd.	0.98	1.95
27	Tech Mahindra Ltd.	0.94	1.88
28	Nestle India Ltd.	0.92	1.91
29	Power Grid Corporation of India Ltd.	0.89	1.93
30	HDFC Life Insurance Company Limited	0.87	1.89
31	Grasim Industries Ltd.	0.85	1.94
32	Adani Ports & Special Economic Zone	0.84	2.01
33	Hindalco Industries Ltd.	0.84	2.20
34	Indusind Bank Ltd.	0.83	1.85
35	Tata Motors Ltd.	0.83	1.95
36	Divis Laboratories Ltd.	0.82	2.23
37	Bajaj Auto Limited	0.79	2.08
38	NTPC Limited	0.77	1.89
39	Cipla Ltd.	0.73	2.19
40	Britannia Industries Ltd.	0.64	1.90
41	Tata Consumer Products Limited	0.63	2.07
42	Bharat Petroleum Corporation Ltd.	0.62	1.91
43	Oil & Natural Gas Corporation Ltd.	0.62	2.01
44	Shree Cement Ltd.	0.59	1.92
45	Hero MotoCorp Ltd.	0.58	1.82
46	SBI Life Insurance Company Ltd.	0.57	2.04
47	Eicher Motors Ltd.	0.53	1.78
48	UPL Ltd.	0.53	1.93
49	Coal India Ltd.	0.44	1.97
50	Indian Oil Corporation Ltd.	0.36	1.90