

SBI

AUTOMOTIVE OPPORTUNITIES FUND

An open-ended equity scheme following automotive & allied business activities theme



SBI MUTUAL FUND

A PARTNER FOR LIFE

SBI AUTOMOTIVE OPPORTUNITIES FUND

**WHEN YOU DRIVE
INDIA GOES FAR**

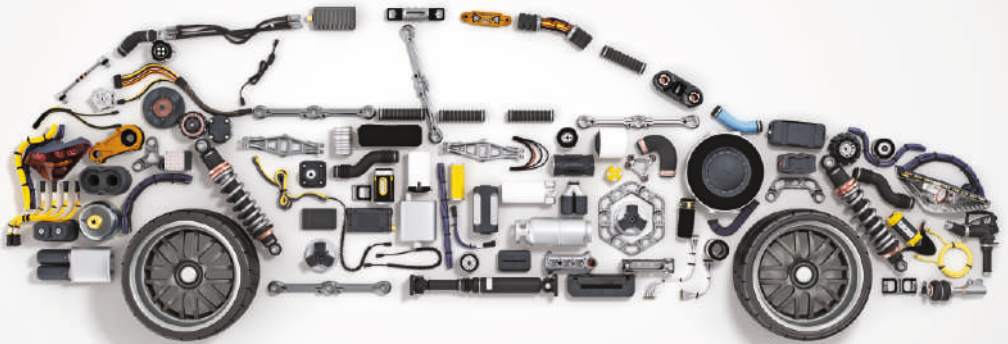
Benefit from India's Growing Automotive Ecosystem.

**ORIGINAL EQUIPMENT
MANUFACTURERS (OEM)**

**AUTO
ANCILLARIES**

**AUTO
EXPORTS**

**ELECTRIC
MOBILITY**



NFO Period:

17th May - 31st May 2024

The classification of companies following the automotive & allied business activities theme will be largely guided by AMFI industry classification. For more details, refer Scheme Information Document.



OPPORTUNITIES IN THE INDIAN AUTOMOTIVE SECTOR

Growing per capita income and a young and growing working age population have contributed to India becoming the 4th largest automobile market in the world in terms of domestic sales. Also, India ranks as the 3rd largest automobile industry in the world in terms of production. The share of the automotive sector to India's GDP has risen to 7.1% as of February 2023 from a mere 2.8% in 1992! This growth has also led to a positive spillover effect on the auto ancillary sector whose turnover has grown from US\$ 39.05 billion in FY2016 to US\$ 69.70 billion* in FY2023.

*Automotive Component Manufacturers Association of India (ACMA), IBEF



KEY FACTORS - THE INVESTMENT POTENTIAL IN INDIA'S AUTOMOTIVE THEME



Income Growth:

In the US, the number of cars per 1000 people is 860, in Germany it is 627 whereas in China the number is 223. In contrast, India still has around 34 cars per 1000 people.



Industry Growth Projections:

The automotive industry in India is projected to grow from \$117 billion in 2023 to US\$ 188 billion by 2029 (Source: Mordor Intelligence). The auto components sector currently stands at US\$ 71 billion is expected to reach \$130 billion by FY29. (Source: Ricardo Analysis).



EV Market Evolution:

The EV (Electric Vehicle) market in India is forecasted to expand from \$5.61 billion in 2023 to \$37.7 billion by 2028, (Source: Mordor intelligence).



Vehicle Credit Expansion:

As per RBI data, vehicle finance is among the largest loan segments within retail and commercial credit. The total vehicle loan book is around ₹ 15 trillion as on date, and it is growing at mid-to-high teens over the last couple of years.



Government Policies and Initiatives:

Policies like the Production Linked Incentive (PLI) scheme, 100% FDI allowance, Automotive Mission Plan (AMP) 2016-26, Vehicle Scrappage Policy (Launched in 2021), and Faster Adoption and Manufacturing of Hybrid & Electric Vehicles (FAME) scheme are expected to drive industry growth and innovation.



PERFORMANCE OF THE BENCHMARK

The Nifty Auto TRI Index comprising of 16 stocks has been taken as a representative for the automotive theme. The index represents auto related sectors like Automobiles 4 wheelers, Automobiles 2 & 3 wheelers, Auto Ancillaries and Tyres.

The value of **INR 1000** invested in Nifty Auto TRI since inception would have grown to **INR 29,303** representing a **CAGR of 18.1%**. This investment would have multiplied **29 times** in over **20 years!**

| CAGR Returns | 1 Year | 3 Year | 5 Years | 10 Years | Since Inception |
|----------------|--------|--------|---------|----------|-----------------|
| Nifty Auto TRI | 71.7% | 33.9% | 23.3% | 15.5% | 18.1% |
| Nifty 50 TRI | 26.5% | 16.9% | 15.3% | 14.3% | 14.1% |
| Nifty 500 TRI | 39.3% | 20.5% | 18.0% | 16.15% | 15.1% |

Source: NSE Indices. Data as on April 30, 2024. Since Inception returns computed is from Jan 01, 2004 for all the indices that is since inception date of Nifty Auto TRI. Past performance may or may not be sustained in future. Returns computed are on CAGR basis. For Disclaimer on NSE Indices please refer the last page of the leaflet.



ABOUT SBI AUTOMOTIVE OPPORTUNITIES FUND

Investment Objective

The investment objective of the scheme is to generate long-term capital appreciation to unit holders from a portfolio that is invested in equity and equity related instruments of companies engaged in automotive & allied business activities theme. However, there can be no assurance that the investment objective of the Scheme will be realized.



Fund Manager*

Mr. Tanmay Desai



Category

Thematic



Minimum Application

₹ 5000/- & in multiples of ₹ 1 thereafter



First Tier Benchmark Index

NIFTY AUTO TRI



Minimum Monthly SIP

Minimum ₹ 500/- & in multiples of ₹ 1



Exit Load

- For Ongoing basis: 1% of the applicable NAV - If units purchased or switched in from another scheme of the fund are redeemed or switched out on or before 1 year from the date of allotment.
- NIL - If units purchased or switched in from another scheme of the fund are redeemed or switched out after 1 year from the date of allotment.



For Details please refer to the scheme information document (SID). *Mr. Pradeep Kesavan is the dedicated fund manager for overseas securities.



INVESTMENT UNIVERSE FOR THE FUND

Original Equipment Manufacturers (OEMs):

These include the companies that design, manufacture and sell complete vehicles of all types under their brand names and often have their own manufacturing facilities or assembly lines. OEM's can be categorised into following -Two-wheeler, three-wheeler, passenger vehicle, commercial vehicle, tractors, off-highway, and construction equipment manufacturers.



AUTO COMPONENT MANUFACTURERS:

Producing various parts for both OEMs and the after market, including engine, electric, transmission, steering, suspension, braking parts, as well as tires and batteries.



Electric Mobility:

Growing focus on EVs due to emission reduction and improving economics. Opportunities exist for EV OEMs and component manufacturers specializing in EV-specific parts like motors, controllers, batteries, and cooling systems.



Export Potential:

Various automotive subsegments offer significant export potential. India can leverage its large domestic market to achieve economies of scale, particularly in areas like forging, casting, and off-highway tyres.





Investment universe consists of many sectors. This is an indicative list kindly refer SID for details sectors. The classification of companies following the automotive & allied business activities theme will be largely guided by AMFI basic industry classification.



WHO CAN LOOK TO INVEST

- Investors seeking to incrementally allocate in growth opportunities within their overall equity portfolio.
- Investors seeking to capitalise on the long-term growth story of automotive demand in domestic & overseas markets.
- Investors looking to invest in a portfolio of well researched quality stocks within the automotive theme.

| | | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Scheme Riskometer:</p>  <p>Investors understand that their principal will be at very high risk</p> | <p>This product is suitable for investors who are seeking*:</p> <ul style="list-style-type: none"> • Long - term capital appreciation. • Investment in equity and equity related instruments of companies engaged in and/or expected to benefit from the growth in automotive & its allied business activities theme. <p>[^]Investors should consult their financial advisers if in doubt about whether the products is suitable for them.</p> | <p>First Tier Benchmark Riskometer: Nifty Auto TRI</p>  <p>The benchmark riskometer is at Very High risk</p> |
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