



## SBI Dividend Yield Fund

**DIVIDEND PAYING  
COMPANIES WITH STRONG  
GROWTH POTENTIAL.  
WE LOVE IT!**

**NFO Period: 20<sup>th</sup> February- 6<sup>th</sup> March 2023**



### Dividend paying companies with a strong growth potential! Don't we all love them?

- Dividend is a part of a company's profit which it pays out to its shareholders.
- Not all companies pay dividends but quite a few do. Some pay larger dividends than others and many investors tend to accumulate shares of such dividend paying companies to generate an income. To do this, they look at the dividend yield of a company.
- **Dividend Yield** is easy to calculate – if the total dividend paid by a company during a year is ₹30 and its share price is ₹600. Then we can say that the dividend yield is 5%.
- Higher the dividend yield, more attractive the stock for such investors.
- Combine that with strong growth potential of that company and we have a winner!

### Advantages of Dividend Yield Companies

#### LIMITING DOWNSIDE

High Dividend Yield companies limits downside risk & thus better placed to weather economic downturns.

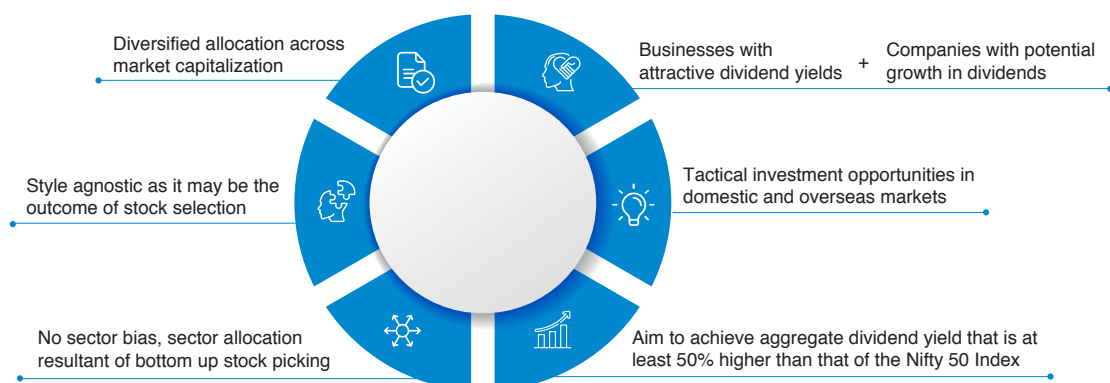
#### CAN PLAY OUT UNCERTAINTIES WELL

During major market falls, high dividend yield stocks provide cushion against market volatility thus bringing stability to your investment portfolio in comparison to broader markets.

### SBI Dividend Yield Fund

The investment objective of the scheme is to provide investors with opportunities for capital appreciation and/or dividend distribution by investing predominantly in a well-diversified portfolio of equity and equity related instruments of dividend yielding companies. However, there can be no assurance that the investment objective of the Scheme will be realized.

### How will we invest?



### Who should invest?



#### Millennials and First Time Investors

Investors seeking long-term wealth creation in strong businesses with a 4-year+ horizon



#### Direct Equity Investors

Investors who target a diversified portfolio of high-dividend yield companies based on research expertise



#### Long Term Investors

Aim to build wealth for long-term goals with better risk-return trade-off



#### Investors Seeking Regular Cashflows

Generate regular cash flow through SWP (A) facility from your investment which are tax-efficient unlike dividend from individual stocks

### How does it work?



### Multiple Options

(MONTHLY) 0.5% | (QUARTERLY) 1.5% | (HALF YEARLY) 3% | (YEARLY) 6% | ANY AMOUNT > ₹500 (MONTHLY/QUARTERLY/HALF YEARLY/YEARLY)

#Subject to terms & conditions. Please read the Scheme Information Document for more details.

### Illustration : Tax Efficiency

**Illustration: Assume an investor invests INR 10 lakhs in SBI Dividend Yield Fund & Direct Stocks**

#### Alternatives available with an investor for regular cashflows

- 1) Choose for SWP (A) option from the SBI Dividend Yield Fund @ 6% p.a of the cost of investment
- 2) Chase expected dividends from the portfolio of stocks @ 6% p.a dividend yield

Years	Alternative 1 : SWP (A)			Alternative 2 : Dividends		
	SWP (A) @6% cost of investment	Tax	Net Cashflows	Dividends @6% yield	Tax	Net Cashflows
Year 1	60,000	652	59,348	60,000	21,528	38,472
Year 2	60,000	1,245	58,755	60,000	21,528	38,472
Year 3	60,000	1,785	58,215	60,000	21,528	38,472
Year 4	60,000	2,275	57,725	60,000	21,528	38,472
Year 5	60,000	2,720	57,280	60,000	21,528	38,472
Total	300,000	8,677	291,323	300,000	107,640	192,360
Tax Outflow as a % of Cashflows		2.89%			35.88%	

With the use of SWP (A) feature in the SBI Dividend Yield Fund, an investor can have tax efficient cashflows relative to dividends from direct stocks

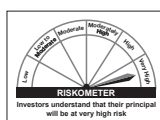
The above table is only for illustration purpose and shall not be construed as tax advice or investment advice in any manner. Exit Load if any has not been assumed in the computation. Investors are hereby advised to consult a Financial Advisor or a Tax Consultant before making investment decisions. Dividends are taxed at 30% (assuming income falls in the highest slab), short term capital gains at 15%, and long term capital gains at 10%. Tax rate further includes Surcharge at 15% and Cess @4%. Rate of return for SBI Dividend Yield fund is assumed to be 10% p.a. Returns assumption is strictly for illustrative purpose only and does not indicate any return guarantee.

### Fund Facts

FUND MANAGER	Mr.Rohit Shimpi and Mr.Mohit Jain (Dedicated Fund Manager for overseas securities)
FIRST TIER BENCHMARK INDEX	NIFTY 500 TRI
MINIMUM APPLICATION	Rs. 5000/- and in multiples of Re.1 thereafter with additional purchases at Rs.1000 and in multiples of Re.1 thereafter
MINIMUM MONTHLY SIP*	Minimum Rs. 500 & in multiples of Re.1
EXIT LOAD	<ul style="list-style-type: none"> <li>NIL - If units purchased or switched in from another scheme of the Fund are redeemed or switched out upto 10% of the units (the limit) purchased or switched on or before 1 year from the date of allotment</li> <li>1% of the applicable NAV - If units purchased or switched in from another scheme of the Fund are redeemed or switched out in excess of the limit on or before 1 year from the date of allotment</li> <li>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</li> </ul>

\*For more details, please refer to the Scheme Information Document (SID) or Key Information Memorandum (KIM)

**SBI**  
**DIVIDEND YIELD FUND**  
An open-ended equity scheme investing predominantly in dividend yielding stocks



This product is suitable for investors who are seeking\*:

- Long-term capital appreciation
- Investment predominantly in equity and equity related instruments of dividend yielding companies

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