



AN EQUAL SHARE FOR EVERY SHARE

PRESENTING,
**SBI NIFTY50 EQUAL
WEIGHT INDEX FUND**

NFO PERIOD:

16TH JAN - 29TH JAN 2024

SBI

NIFTY50 EQUAL WEIGHT INDEX FUND

An open-ended scheme replicating/tracking NIFTY50 Equal Weight Index

Riskometer



This product is suitable for investors who are seeking*:

- Long term capital appreciation
- Investment in securities covered by Nifty50 Equal Weight Index

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

About NIFTY50 Equal Weight Index



The NIFTY50 Equal Weight Index represents an alternative weighting index strategy to its market capitalization weighted parent index, the NIFTY50. The index includes the same companies as its parent, however, weighted equally.



The NIFTY50 Equal Weight Index aims to measure the performance of constituents forming part of the parent index, the NIFTY50 Index, where each company in the index shall be assigned equal weights at the time of review.

F1 Pit Crew : Team-Work is the Key !

Team Composition:



Pit Crew:

Specialized roles working cohesively

Equal Weight Index:

Diverse stocks across various sectors.

Adaptability :



Pit Crew:

Adapts to race conditions

Equal Weight Index:

Rebalances on account of market changes.

Risk Mitigation:



Pit Crew:

Minimizes errors through coordination.

Equal Weight Index:

Reduces stock/sector concentration risk.

Equal Contribution:



Pit Crew:

Each member's role is vital.

Equal Weight Index:

Every stock contributes equally.

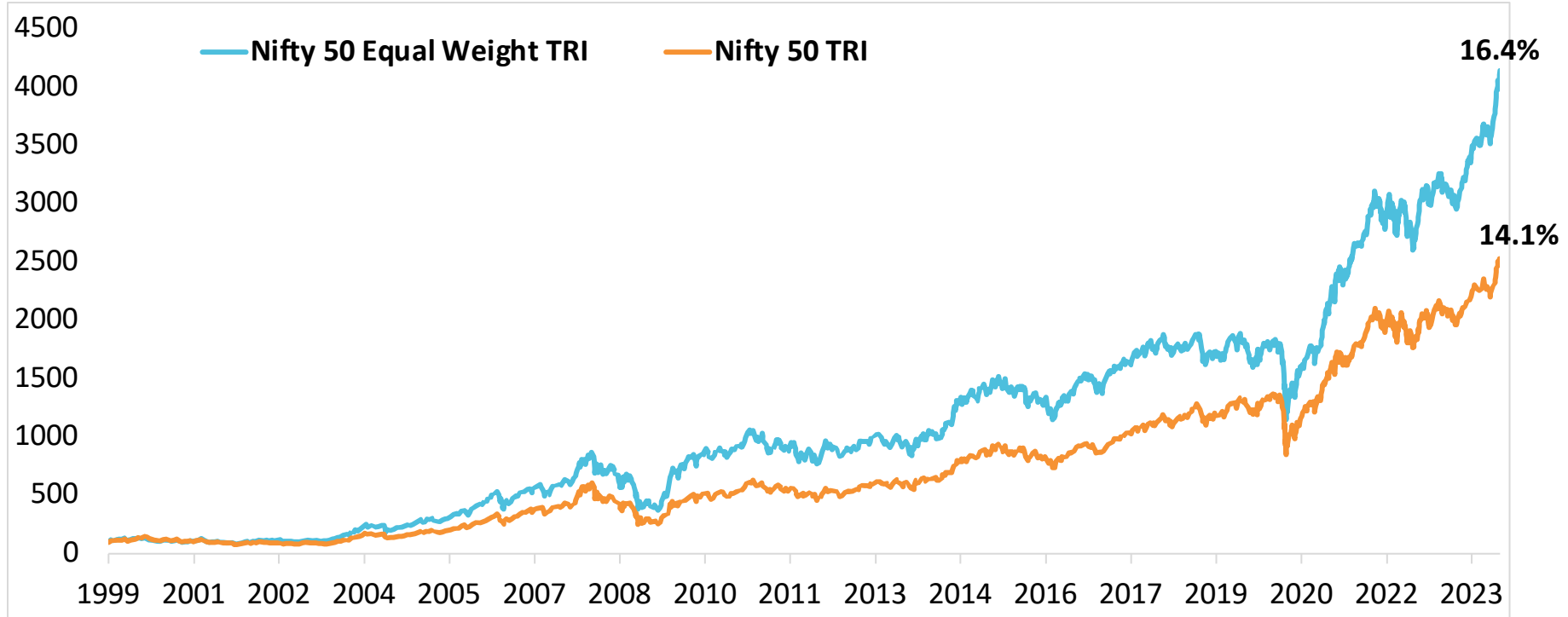
Nifty50 Equal Weight Index : A Team-Work Approach

Just like an F1 pit crew is a team of over 20 people who service the driver's car during a pit stop. Each member of the pit crew has a specific roles and all roles are equally important for a successful pit stop, and no member is more or less valuable than the others.

Similarly, Nifty50 Equal Weight index is a stock market index that assigns the same value or weight to all the stocks in the Nifty 50 index, regardless of their market capitalization. This means that each stock contributes equally to the index value, and no stock dominates the index performance.

Just as an F1 pit crew optimizes the performance of a racing car through coordinated efforts, an Equal Weight Index seeks to optimize the overall performance of an investment portfolio by giving equal importance to each component, promoting diversification, and reducing concentration risk.

Performance Journey: NIFTY50 Equal Weight Vs NIFTY50



The NIFTY50 Equal Weight Index has outperformed the NIFTY50 Index over short and long term

Past performance may or may not be sustained in the future. Data as on December 31, 2023. Source: www.niftyindices.com

Calendar Year Performance of NIFTY50 Equal Weight Index

Year	Nifty 50 EW TRI (%)	Nifty 50 TRI (%)	Year	Nifty 50 EW TRI (%)	Nifty 50 TRI (%)
2000	-11.7	-13.4	2012	31.6	29.3
2001	-11.5	-14.5	2013	3.7	8.1
2002	15.8	5.3	2014	34.8	32.9
2003	109.4	76.6	2015	-5.2	-3.0
2004	22.8	13.0	2016	6.8	4.4
2005	38.8	38.7	2017	27.9	30.3
2006	36.9	42.0	2018	-3.8	5.6
2007	53.8	55.5	2019	4.3	13.5
2008	-49.6	-51.2	2020	19.3	16.1
2009	100.6	77.6	2021	35.0	25.6
2010	16.6	19.2	2022	8.1	5.7
2011	-25.5	-23.9	2023	31.1	21.4

Summary of Performance		
Particulars	Nifty 50 EW TRI	Nifty 50 TRI
Total Observation	24	24
Positive Returns (Yrs.)	18	19
Out performance over other	15	9
Max Out performance over Nifty 50 (CY. 2003)	32.8	
Max Under Performance over Nifty 50 (CY. 2018)	-9.45	

The NIFTY50 Equal Weight Index has outperformed the NIFTY50 Index in 15 out of 24 Calendar Years since 2000

Daily Rolling Returns Analysis : Nifty50 Equal Weight TRI Vs Nifty50 TRI

Period	No. of Observations	Average Rolling Returns		Outperformance of NIFTY50 EW	% of times Nifty 50 EW outperformed
		Nifty 50 EW TRI	Nifty 50 TRI		
1 Year	5,726	19.73	16.57	3.16	60.9%
3 Years	5,224	18.08	15.88	2.20	52.9%
5 Years	4,712	16.97	15.54	1.43	53.7%

On a daily rolling returns basis, NIFTY50 Equal Weight Index has outperformed the NIFTY50 Index across investment time frames.

Concentration Risk : NIFTY50 Vs NIFTY50 Equal Weight

Stock Names	Weightage%	
	Top 10 NIFTY50	Corresponding Weights in NIFTY50 EW
HDFC Bank Ltd	13.51	2.00
Reliance Industries Ltd.	9.20	1.97
ICICI Bank Ltd.	7.35	1.97
Infosys Ltd.	5.79	1.96
Larsen & Toubro Ltd.	4.38	1.98
ITC Ltd.	4.31	1.99
TCS Ltd.	4.05	1.96
Axis Bank Ltd.	3.22	1.98
Kotak Mahindra Bank Ltd.	2.96	1.99
Total	57.52	19.82

Did you Know : The weight of HDFC Bank in Nifty50 Index is greater than total weight of 20 stocks at the bottom of Index

Stock Names	Weightage%	
	Bottom 10 NIFTY50	Corresponding Weights in NIFTY50 EW
Tata Consumer Products Ltd	0.69	2.12
SBI Life Ins. Company Ltd.	0.68	2.02
Britannia Industries Ltd.	0.66	2.00
LTI Mindtree Ltd.	0.61	1.98
Apollo Hospitals Ltd.	0.60	1.99
Eicher Motors Ltd.	0.58	2.01
Hero Motocorp Ltd.	0.58	2.00
Divi'S Laboratories Ltd.	0.52	1.98
BPCL	0.45	1.96
Total	5.69	20.03

The weight of companies at the tail of Nifty 50 is insignificant. Even if these companies post higher returns, their contribution to overall returns of the index will be insignificant

Sector Diversification : NIFTY50 Vs NIFTY50 Equal Weight

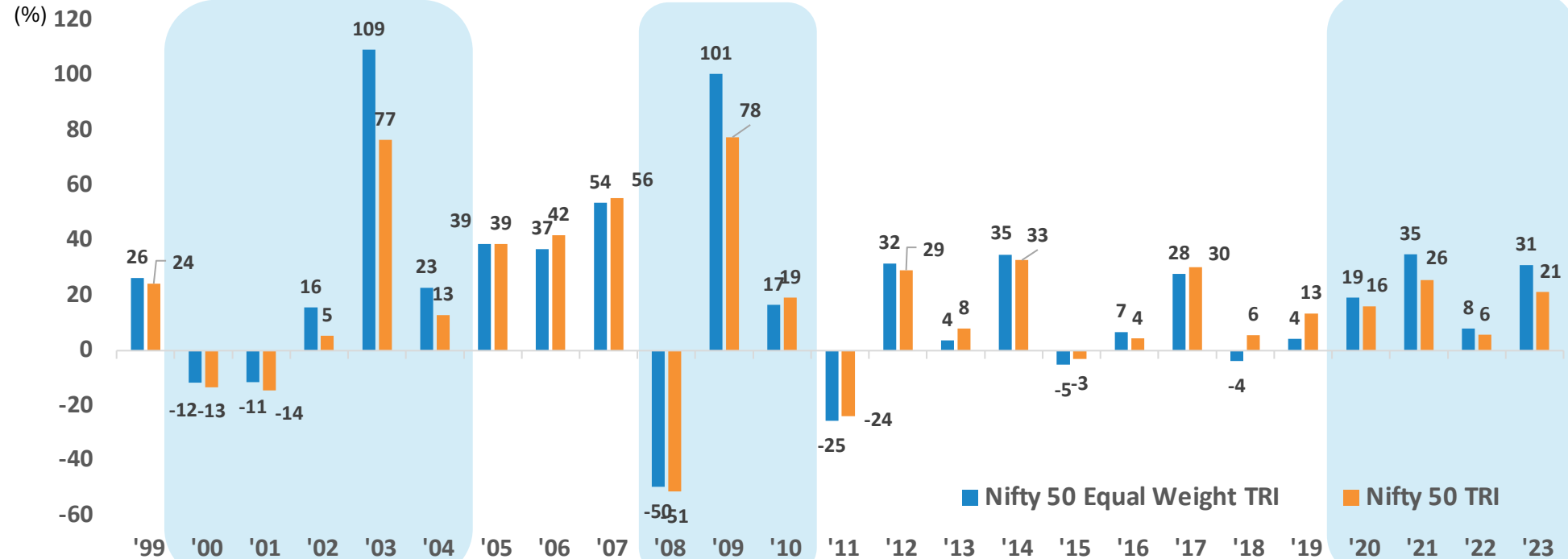
Sectors	NIFTY50 EW	NIFTY50
Financial Services	19.9	35.2
Automobile and Auto Components	12.2	6.5
Information Technology	11.8	13.6
Fast Moving Consumer Goods	10.2	9.1
Healthcare	9.9	4.0
Metals & Mining	8.1	3.8
Oil, Gas & Consumable Fuels	7.9	11.4
Construction Materials	4.1	2.1
Power	4.0	2.7
Consumer Durables	3.9	3.2
Telecommunication	2.0	2.7
Construction	2.0	4.4
Chemicals	2.0	0.3
Services	2.0	0.8

The combined Weightage of Top 3 Sectors in Nifty 50 Index is ~60% and 44% for Nifty50 Equal Weight Index.

The combined Weightage of Top 5 Sectors in Nifty 50 Index is ~76% and 64% for Nifty50 Equal Weight Index.

The sectorial weights in Nifty 50 Equal Weight are more balanced compared to the skewed distribution in Nifty 50 Index

NIFTY50 Equal Weight Outperforms NIFTY50 in Broad-based Rally (1/2)



Nifty 50 Equal Weight Index tends to outperform the Nifty 50 Index when there is a broad market rally

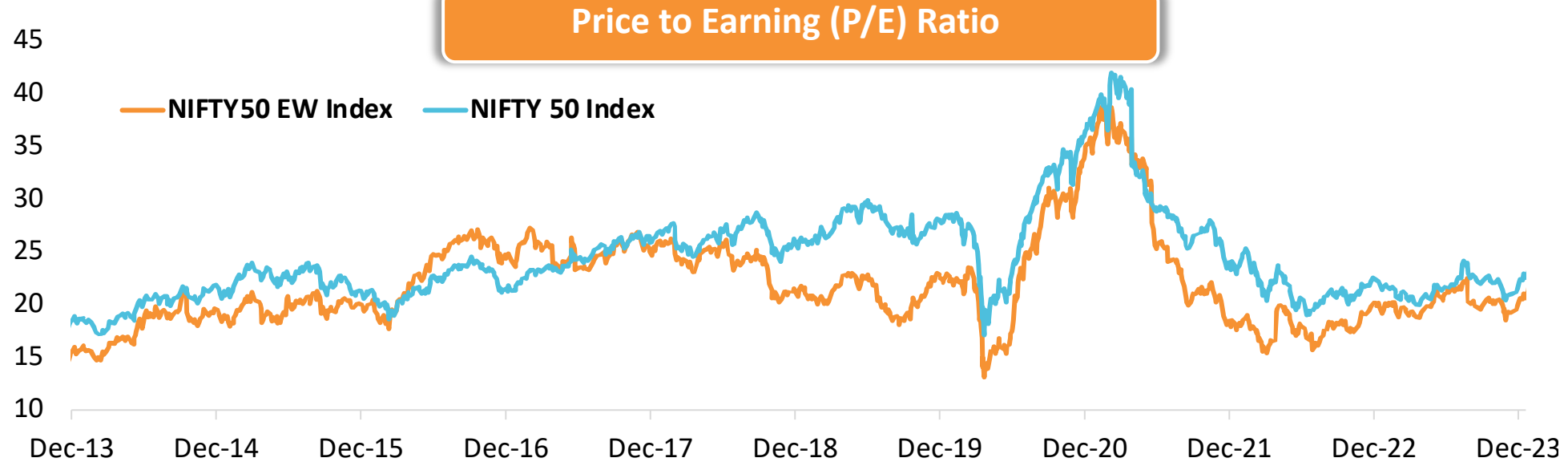
NIFTY50 Equal Weight Outperforms NIFTY50 in Broad-based Rally (2/2)

	Polarized/ Narrow Market Rally		Broad Based Market Rally		
Index Name	2018	2019	2021	2022	2023
Nifty IT TRI	27.3	11.0	62.3	-24.5	26.8
Nifty Financial Services TRI	12.4	26.4	14.6	10.5	14.1
Nifty Services Sector TRI	10.9	18.3	25.5	3.0	12.7
Nifty Energy TRI	3.6	13.3	38.4	16.5	30.7
Nifty India Consumption TRI	-0.4	0.6	20.8	8.6	27.4
Nifty Healthcare TRI	-5.3	-5.9	19.1	-10.1	34.1
Nifty Metal TRI	-16.4	-9.6	73.4	25.4	19.3
Nifty Auto TRI	-21.6	-9.4	20.3	16.6	48.3
Nifty Media TRI	-25.4	-28.9	35.7	-9.5	22.3
Nifty Realty TRI	-32.9	29.3	54.7	-10.6	82.4

In CY 2018-19 we had witnessed a polarized market where only a handful of sectors performed. While other sectors relatively underperformed.

After major corrections during Covid 19, there has been a broad-based recovery in equity markets where across sectors has delivered considerable returns.

Same 50 Stocks with Low Index Valuations



Index	P/E	P/B	Dividend Yield
Nifty50 Equal Weight Index	22.01	3.65	1.43
Nifty 50 Index	23.17	3.81	1.28

Currently the valuations of NIFTY50 Equal Weight Index are better compared to NIFTY50 Index

Presenting

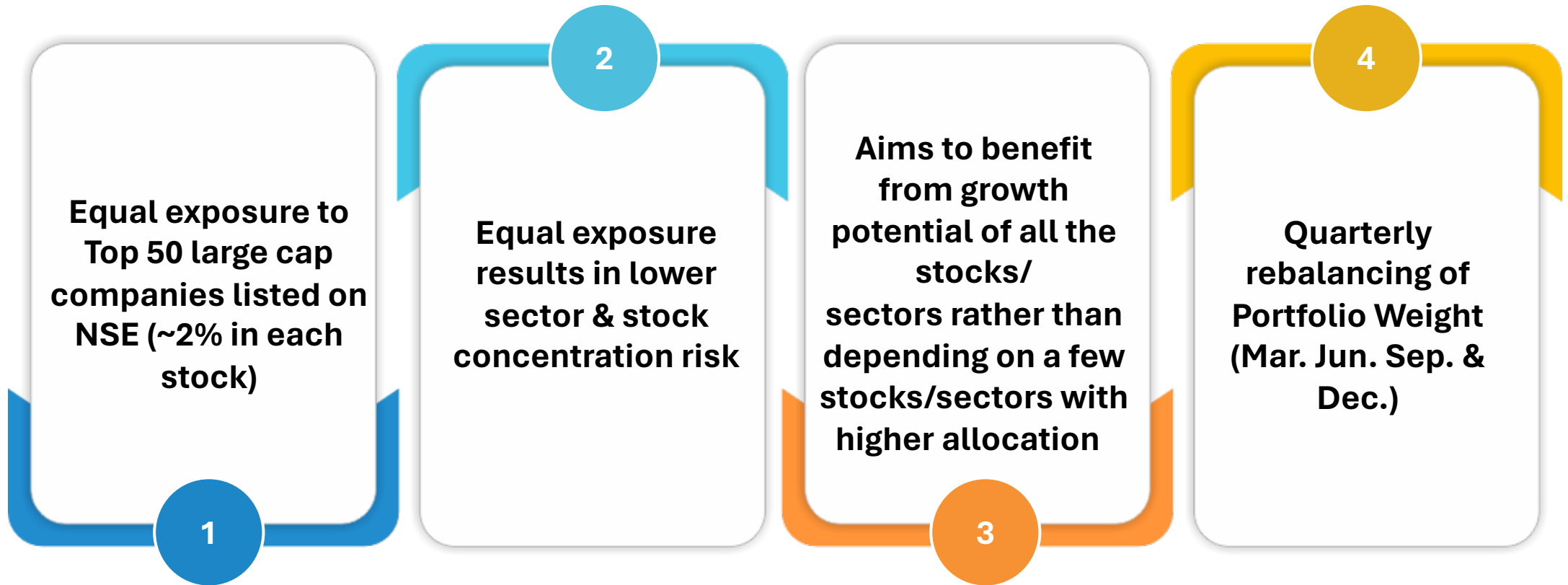


NIFTY50 EQUAL WEIGHT INDEX FUND









An open-ended scheme replicating/tracking NIFTY50 Equal Weight Index



Why SBI Nifty 50 Equal Weighted Index



SBI Nifty 50 Equal Weighted Index : Fund Facts

	Type of Scheme	An open-ended scheme replicating/ tracking NIFTY50 Equal Weight Index		
	Investment Objective	The investment objective of the scheme is to provide returns that correspond to the total returns of the securities as represented by the underlying index, subject to tracking errors. However, there is no guarantee or assurance that the investment objective of the scheme would be achieved		
	Plans & Options	Regular & Direct Plan; Both plans provide two options – Growth Option and Income Distribution cum capital withdrawal (IDCW) Option		
	Application Amount	Minimum Investment Amount : Rs. 5000/- and in multiples of Re. 1 thereafter; Additional Purchase Amount: Rs. 1000/- and in multiples of Re. 1 thereafter		
	Fund Manger	Mr. Viral Chhadva		
	Benchmark	Nifty 50 Equal Weight TR Index		
			Rebalancing	The index weights would be rebalanced quarterly (Mar. Jun. Sep. & Dec.)
	Exit Load	For exit on or before 15 days from the date of allotment: 0.25%; For exit after 15 days from the date of allotment: Nil		

Disclaimers

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