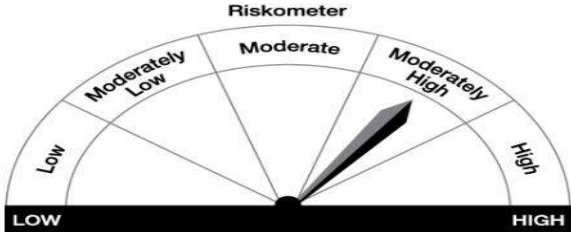


SBI EQUITY OPPORTUNITIES FUND - Series IV

A close-ended equity scheme

NFO Opens: 7th October 2015 **NFO Closes:** 21st October 2015

Product Labeling	
This product is suitable for investors who are seeking*:	Riskometer
<ul style="list-style-type: none"> • Long term investment. • A close ended equity fund that aims to generate capital appreciation. 	 <p style="text-align: center;">Investors understand that their principal will be at moderately high risk</p>

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



STABILITY IN INDIAN MACRO CONDITIONS



POTENTIAL OPPORTUNITIES: MAKE THE MOST OF IT!



PRODUCT POSITIONING

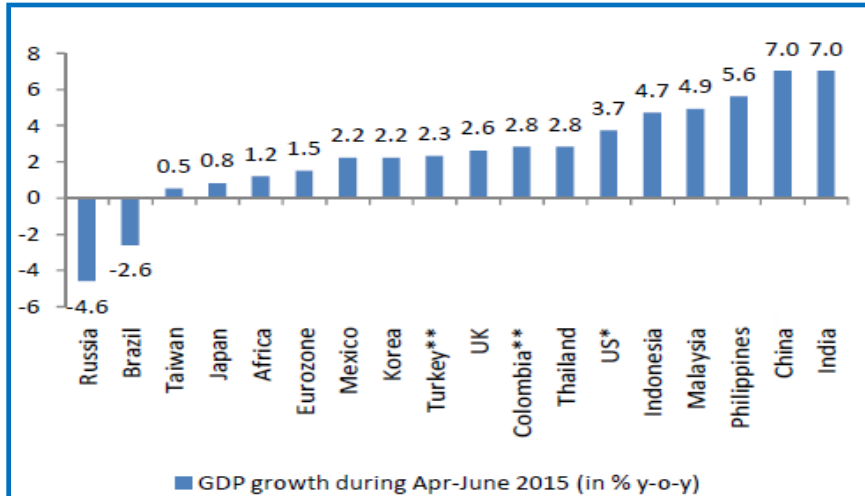
SBI EQUITY |
OPPORTUNITIES FUND - Series IV
A close-ended equity scheme

ABOUT THE SCHEME

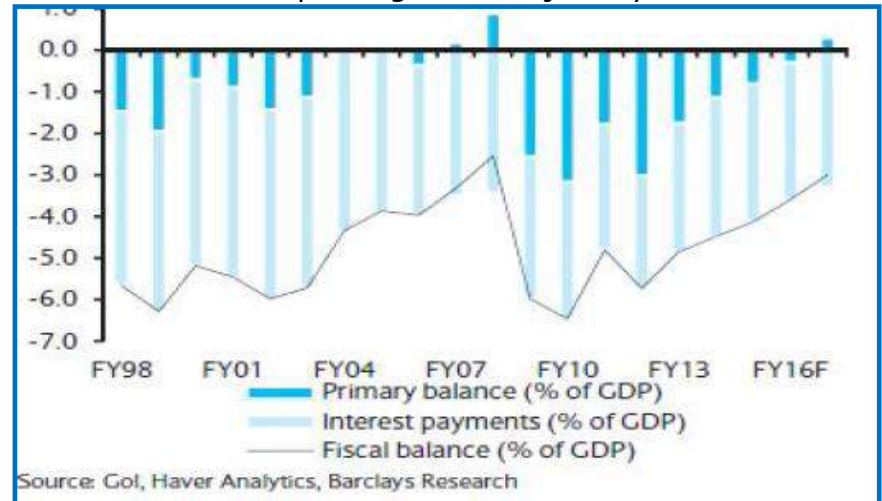
Stability in Indian Macro Conditions

Stability in macro conditions when most markets were fragile

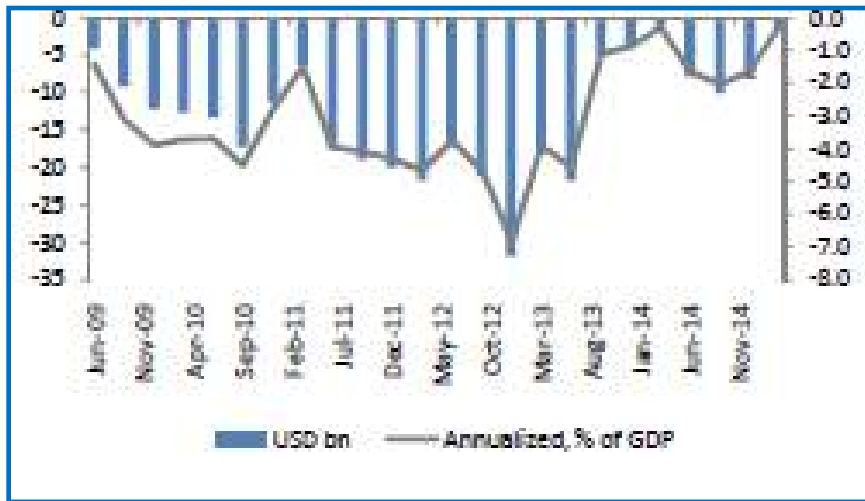
India's growth is higher relative to rest of the world



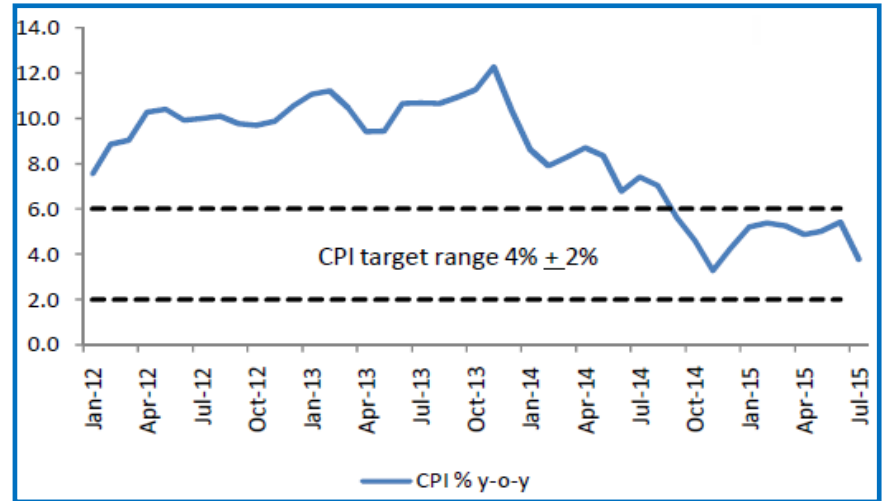
Improving fiscal trajectory



Current Account Balance - improving substantially



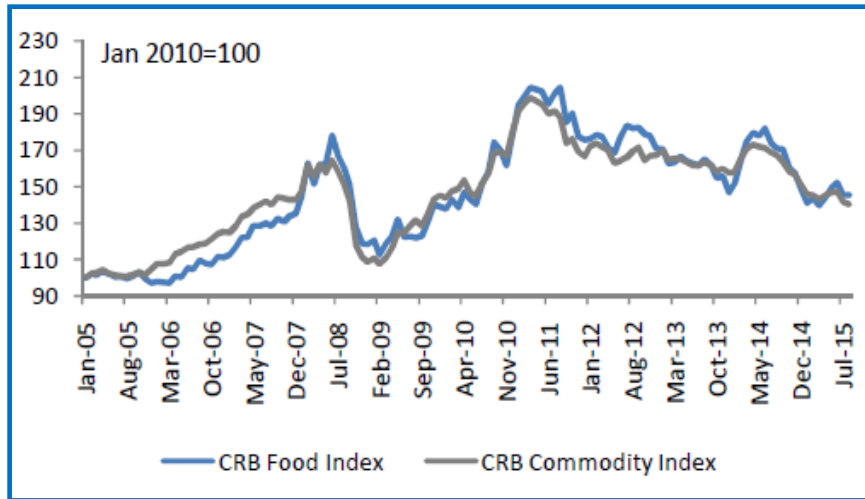
CPI Inflation in a downward trajectory



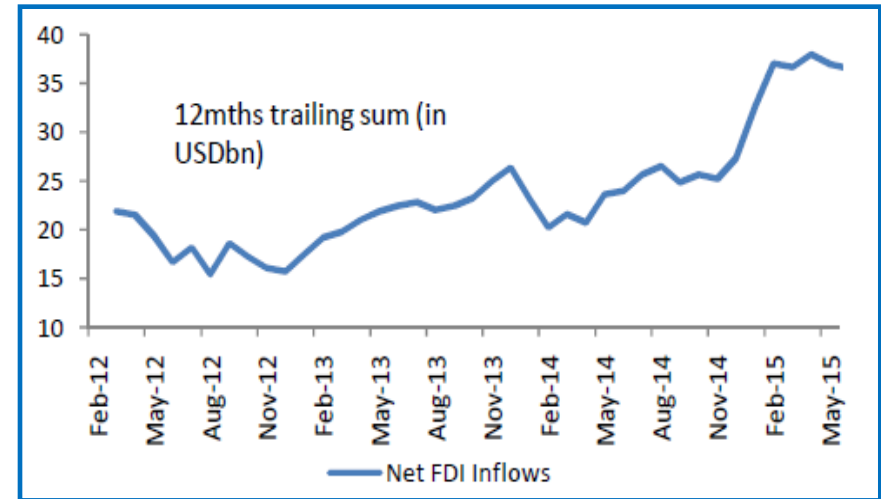
Source: RBI, CSO, CMIE, SBIMF Research, Barclays Research

Softer commodity prices and increase in Investment demand

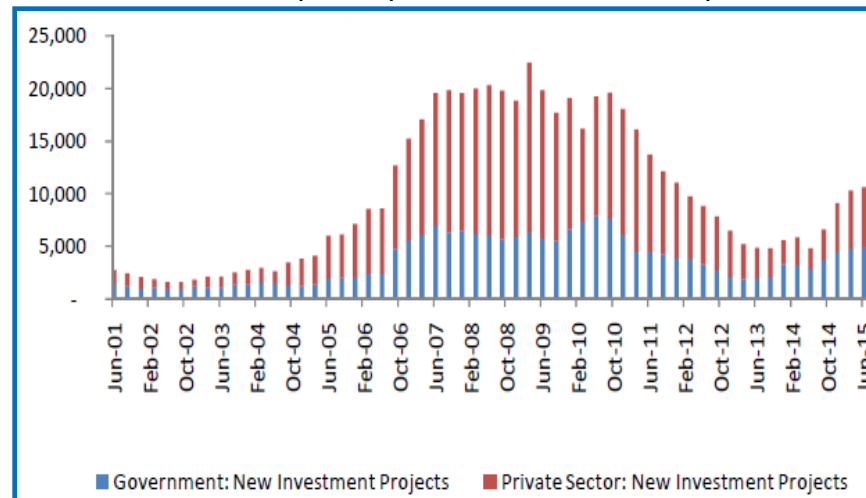
Commodity prices have been declining for a year



Foreign Direct Investment at all time high

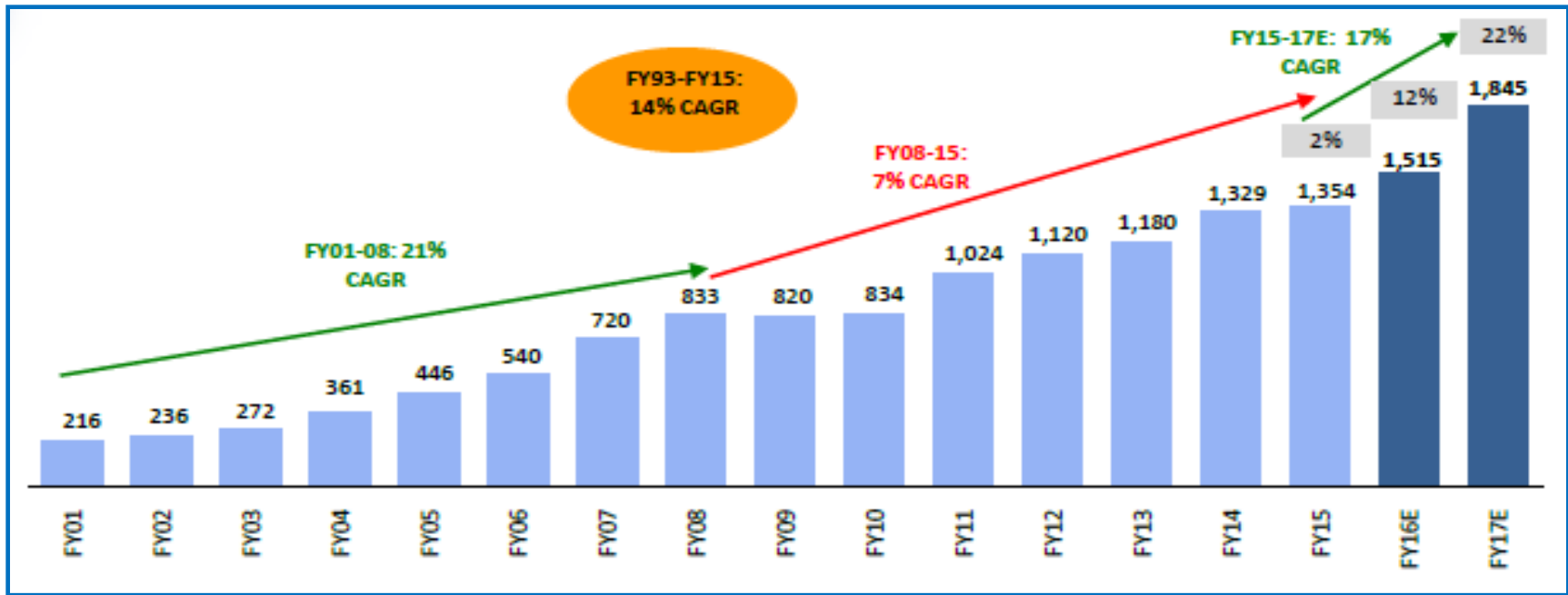


Government taking the lead in driving investment will restore confidence and aid the pick-up in the investment cycle



Source: CMIE Economic Outlook, Bloomberg, PPAC, SBIMF Research

Earnings Growth – Set To Revive

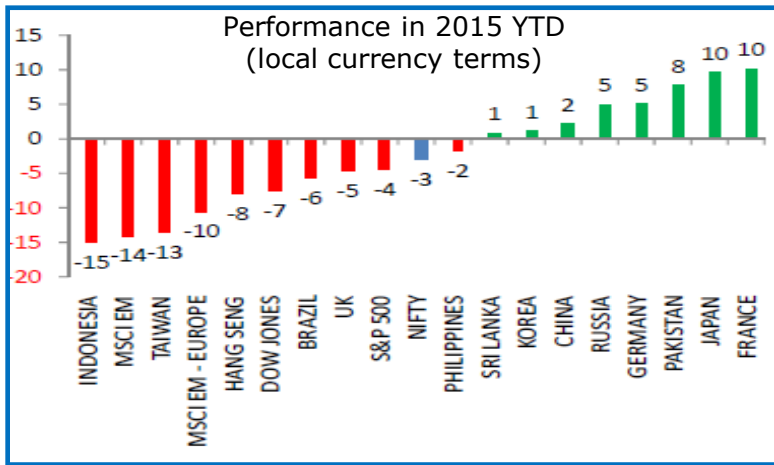


- Sensex earnings have grown at CAGR of 14% over the last 22 years
- In the recent past, earnings growth have been muted and concentrated in few sectors.
- A new cycle of corporate earnings growth has begun. Also, growth is likely to be far more broad-based.

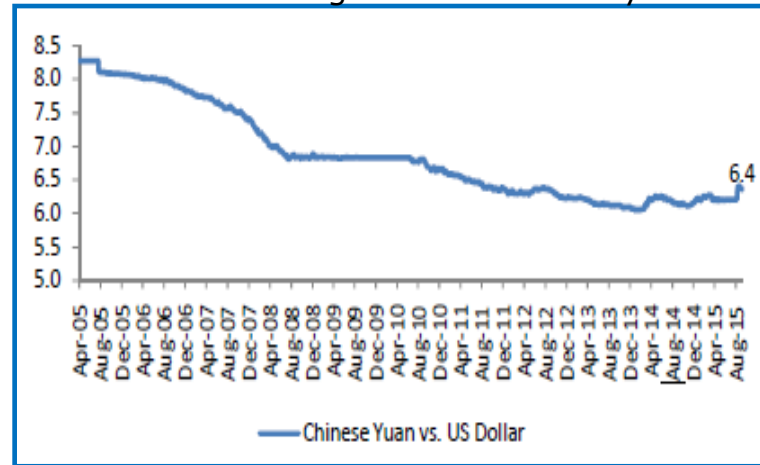
Data source: Motilal Oswal

Bearishness in China & US rate hike possibility led to capital flight

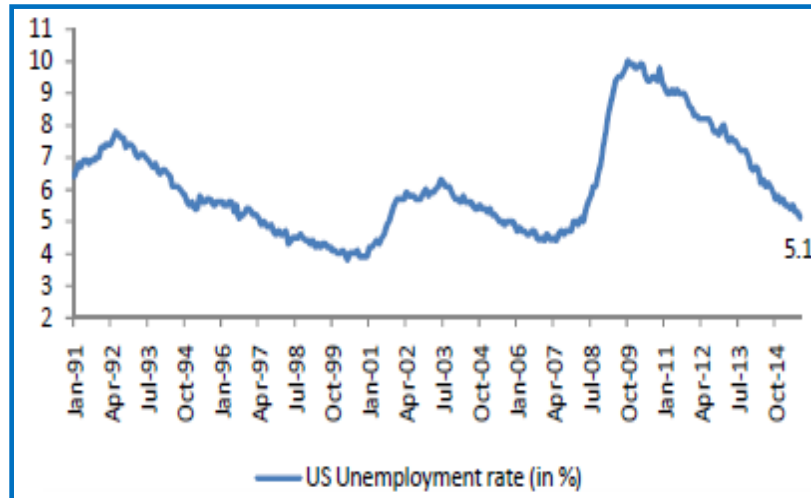
Equity Market suffered losses across the globe



PBOC weakened Chinese Yuan built a narrative of weakening Chinese economy

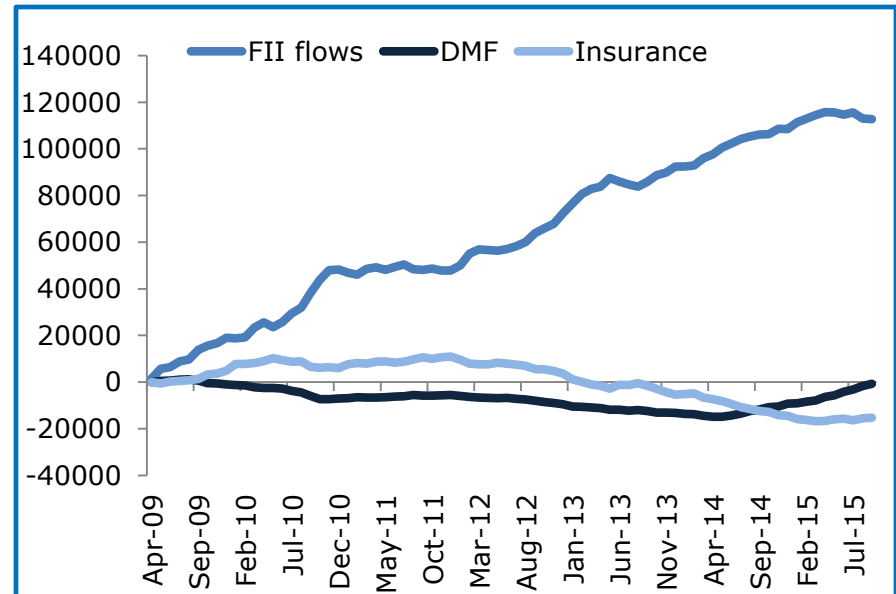
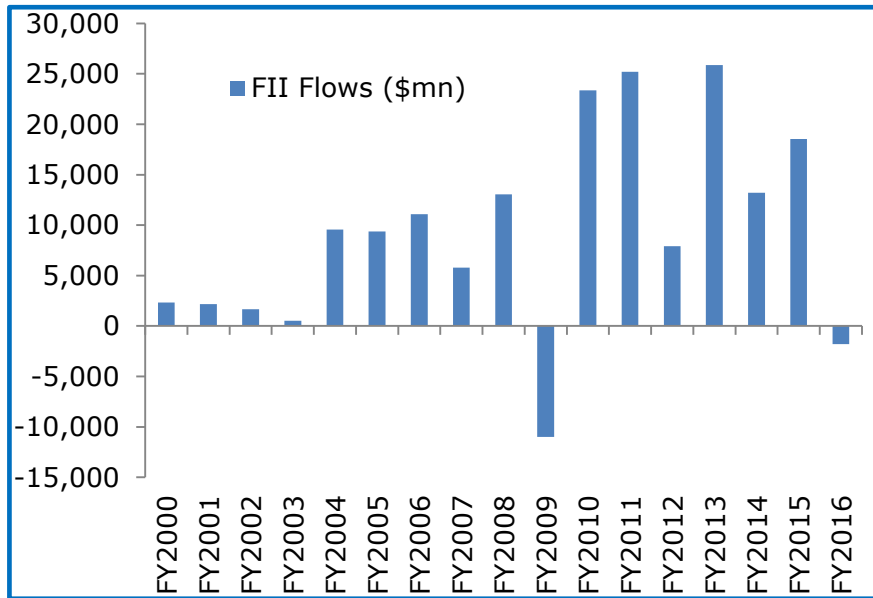


Steady decline in US employment rate keeps the possibility of Fed rate hike alive for this year



Source: Bloomberg, SBIMF Research. PBOC = People's Bank of China

FII continue to pour money into India

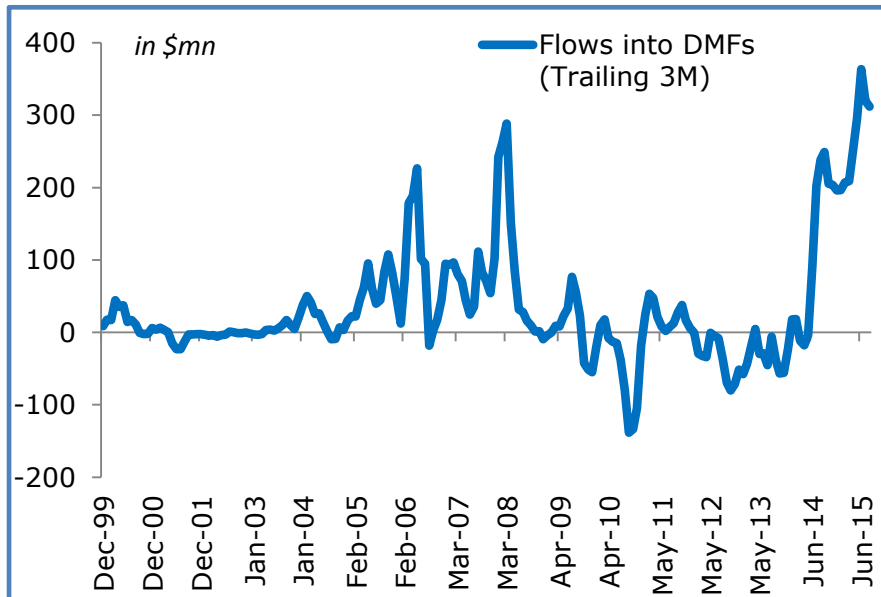


* DMF - Domestic Mutual Fund

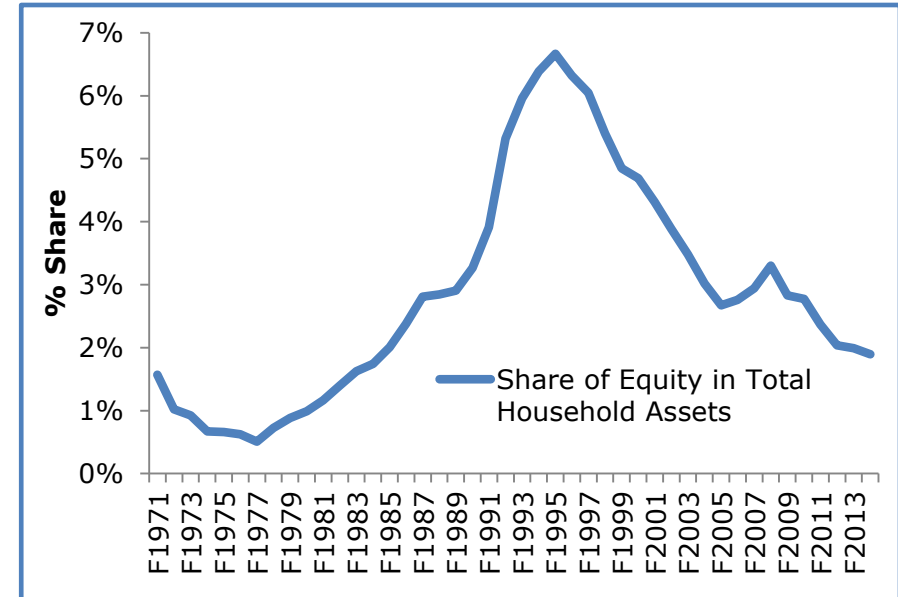
- FIIs have pumped approximately USD 64 bn in the last five years and have witnessed large net outflows only twice in last 20 years
- India stands out against other countries in Emerging Markets in terms of both attractiveness and relative performance
- After a long period of concentrated buying in large caps, FIIs have started increasing exposure to mid caps.
- Increased interest from global Private equity players in the mid and small cap space.
- Long term pension funds eyeing opportunities in India.

Source: SEBI, BSE, NSE

Domestic investment in equities shows positive signs



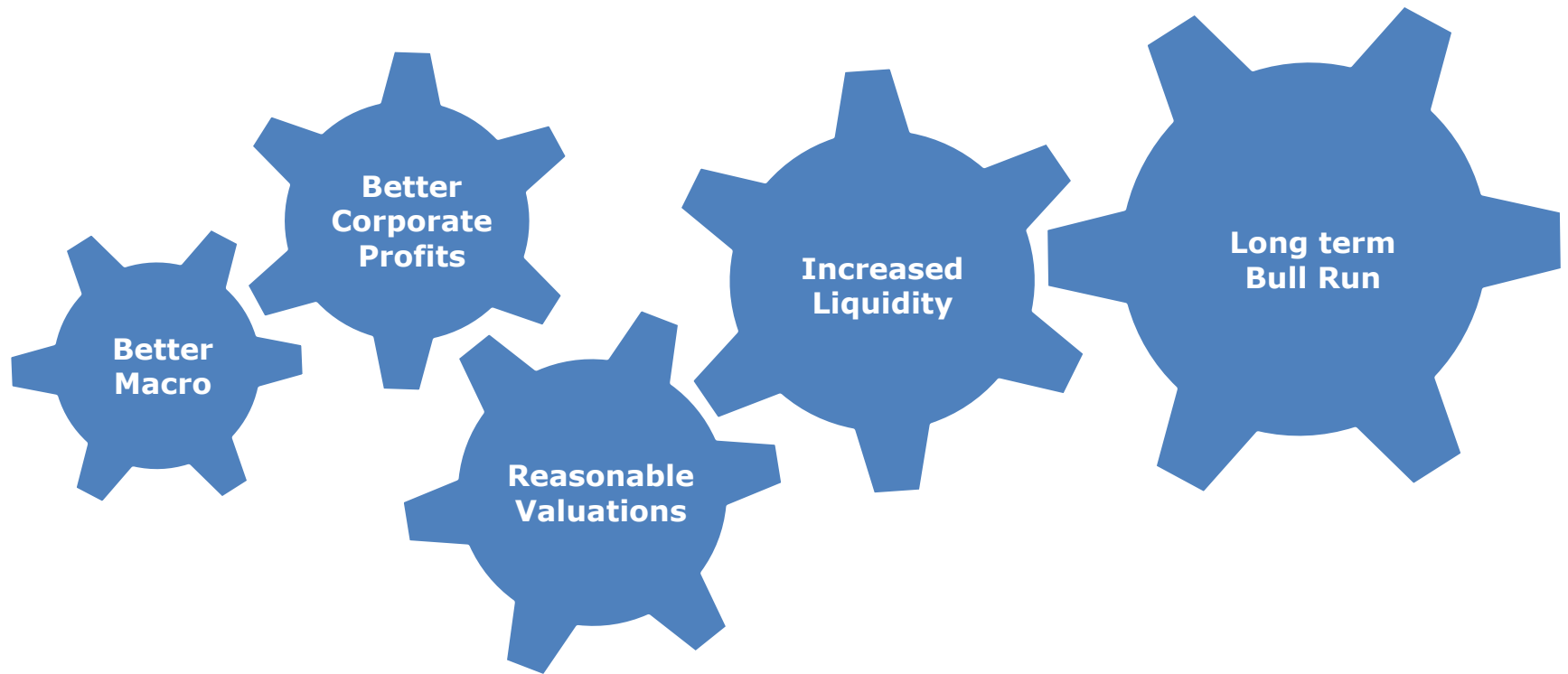
* DMF - Domestic Mutual Fund



- Equity flows lag returns; long term bull case for equities as more money gets diverted to equities
- Initial signs positive, as local institutions witness inflows after a long hiatus
- In recent years Indians savings have gone into physical assets like gold and real estate
- Financial Assets as % of savings are just 45% - Only 4% of these are in equities
- As excess returns of Equity over Gold have turned positive, equity flows likely to rise

Source: Sebi, BSE, NSE, Morgan Stanley, Bloomberg, AMFI

The virtuous chain



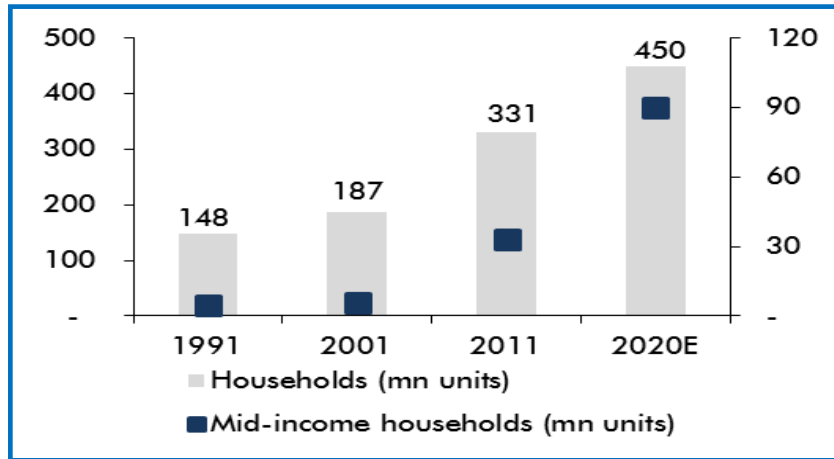
Events to watch out for

- Global events – Geo-political events, central bank policies
- Corporate earnings
- Domestic Money Flows
- Government's "action on the ground"

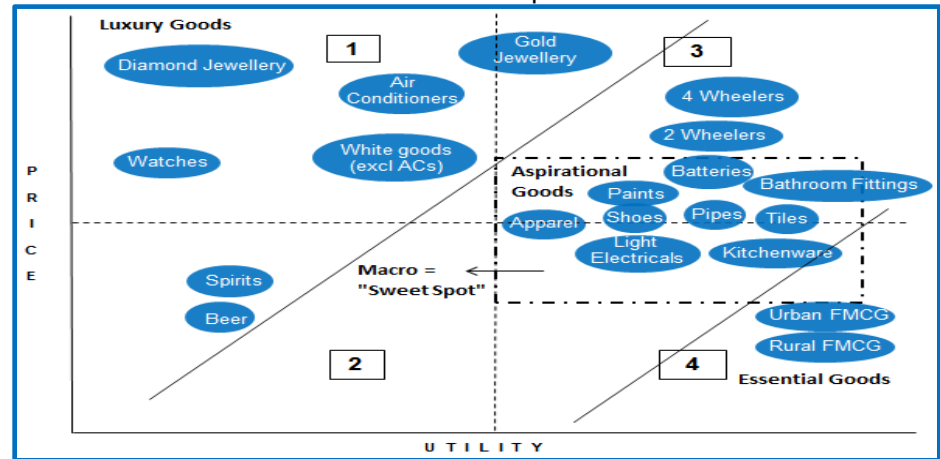
Potential Opportunities

Rising income and aspirations driving home improvement

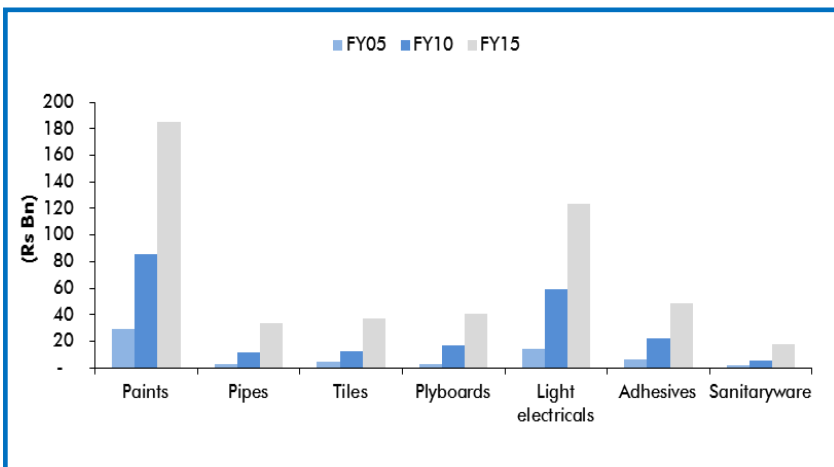
Mid-income households likely to increase materially



Middleclass disposable expenditure moving to aspirational consumption



Home building materials have grown significantly and...



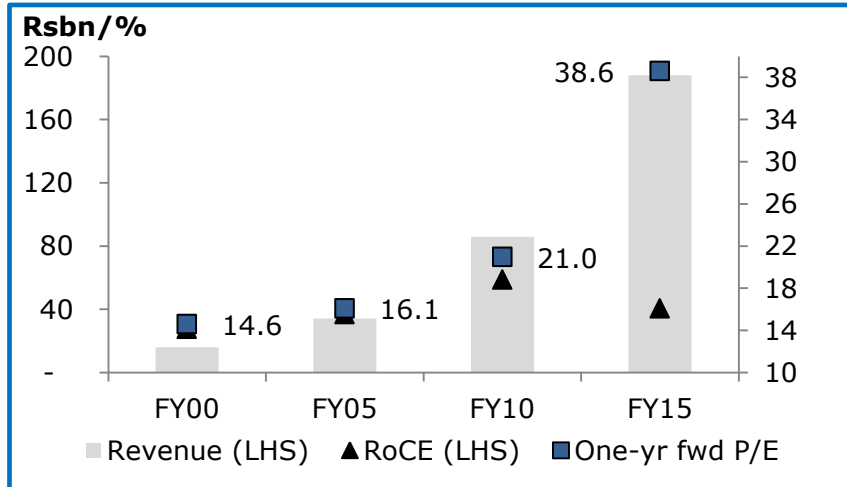
...most categories have shown resilience to the recent softness in the economy

Sectors	Sector multiplier to nominal GDP		
	FY05-10	FY10-15	FY05-15
Paints	1.3	1.2	1.3
Pipes	2.1	1.8	1.9
Tiles	1.4	1.8	1.6
Plyboards	2.4	1.4	1.9
Light electricals	1.7	1.2	1.4
Adhesives	1.5	1.3	1.4
Sanitaryware	1.4	1.9	1.6
Total	1.5	1.3	1.4

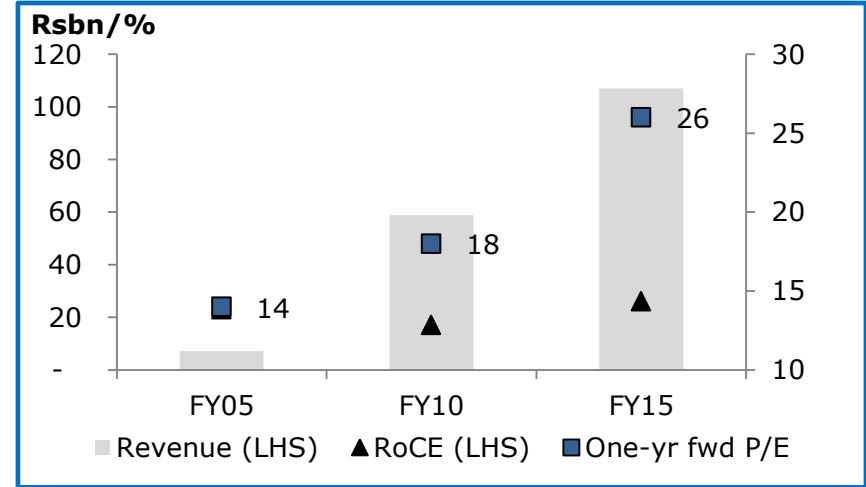
Source: Internal Research, Ambit capital Research

Increasing Scale and RoCEs* across most sectors

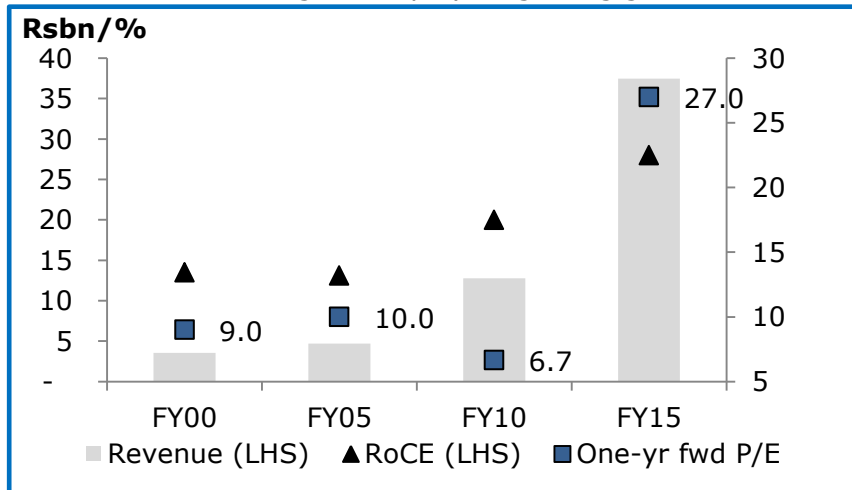
Paints- the largest home improvement segment continues to grow fast



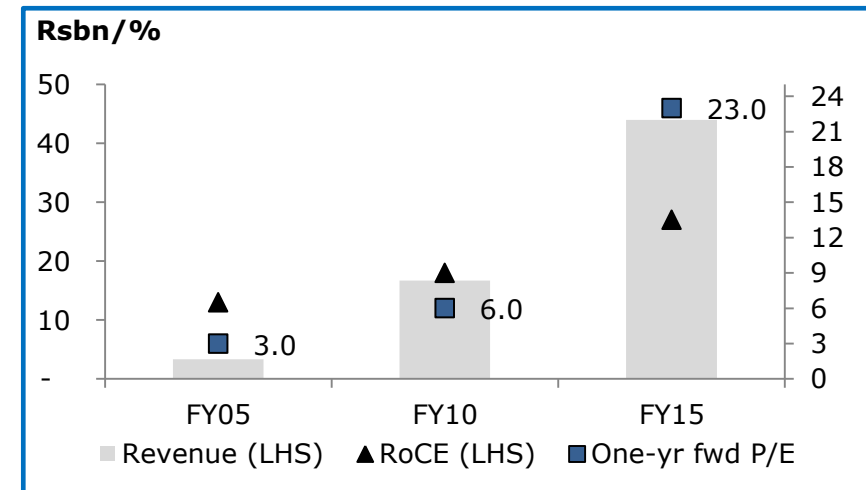
Home electricals - multiple brands, second largest category



Tile - organised players gaining ground



Plyboards- the emerging sector

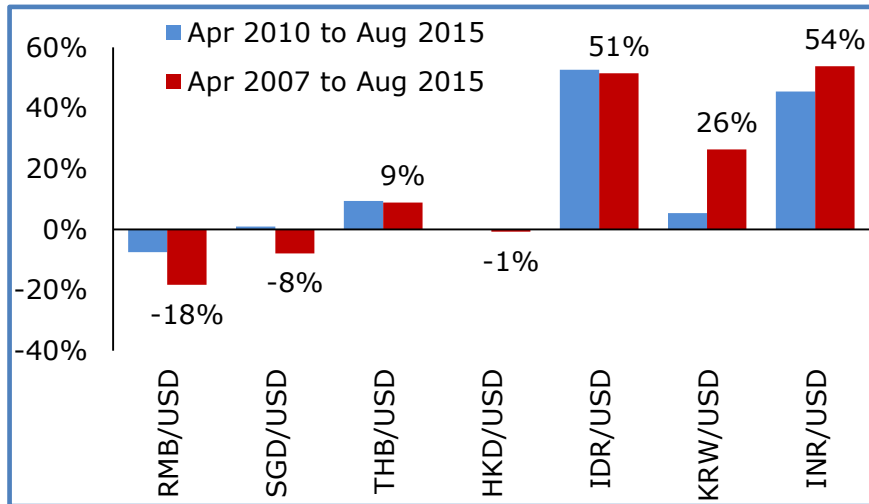


*Return on Capital Employed

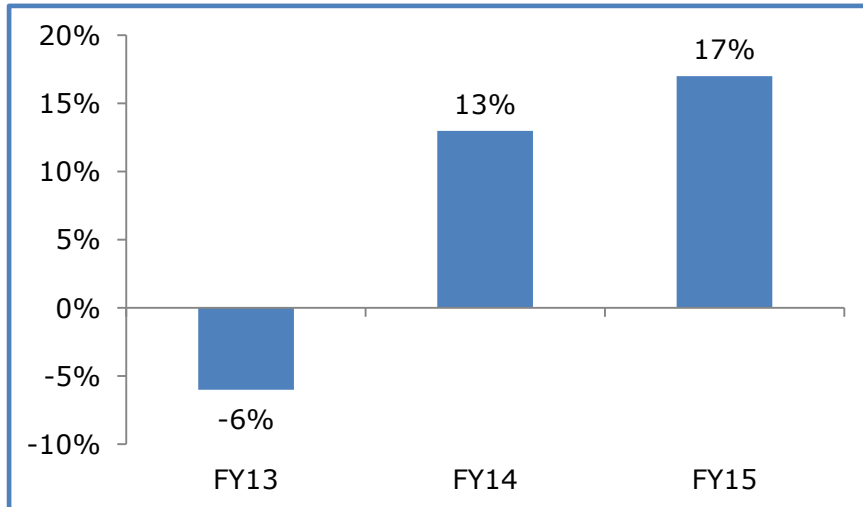
Source: Internal Research, Ambit capital Research

India's export potential

INR has depreciated relatively the most against the USD over the last seven years...

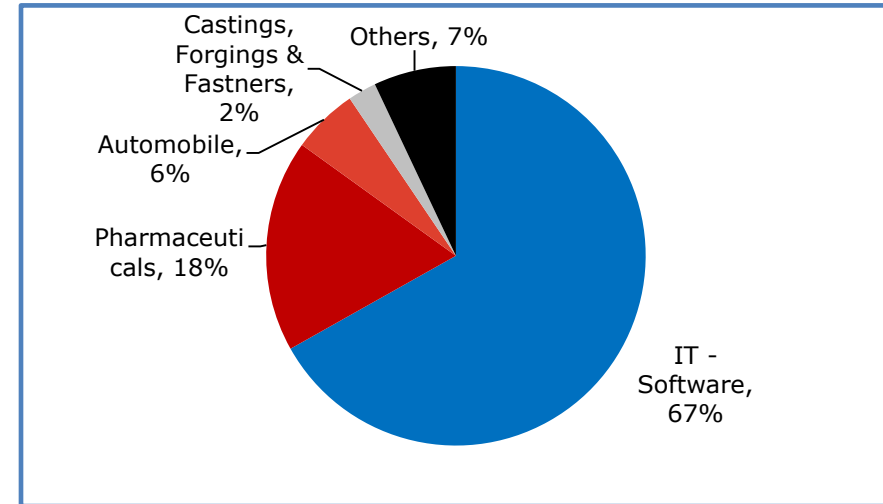


But now Engineering exports are witnessing an increased momentum



Source: Internal Research, Ambit capital Research

IT and Pharma have dominated India's net exports (based on FY15)

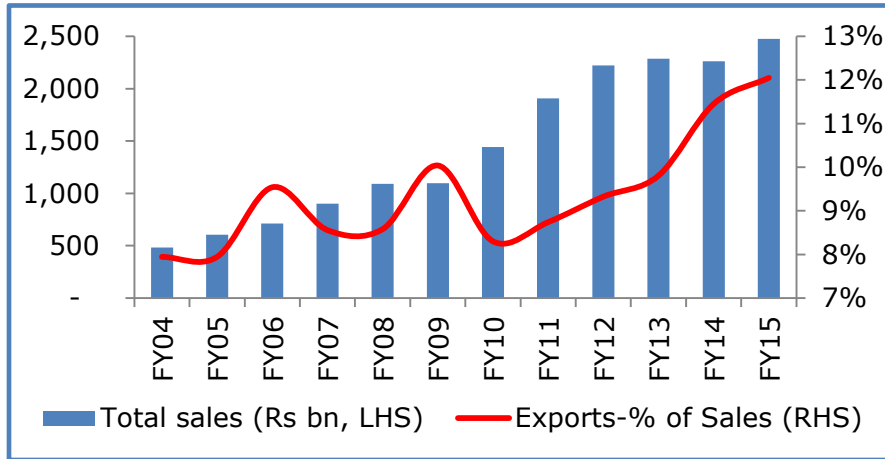


The new Government has made significant announcements and commitments and so have MNCs

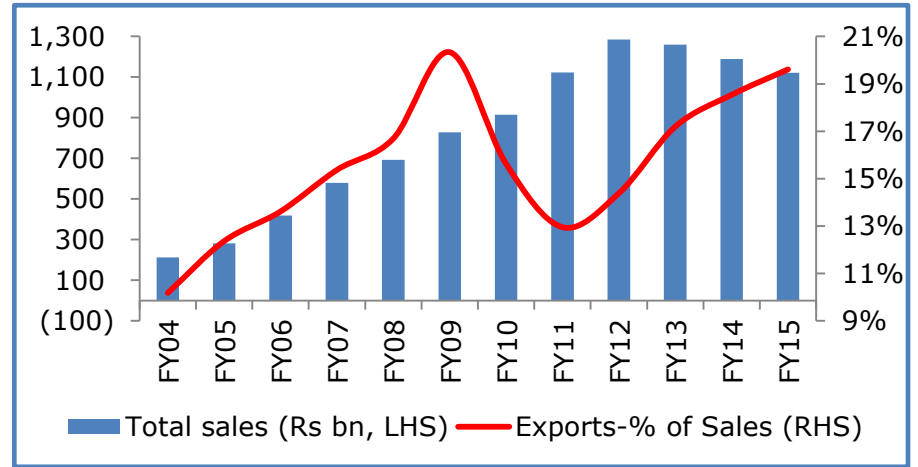
- The PM has recently stressed on making India a global manufacturing hub: (a) relaxed FDI for defence; (b) special impetus to manufacturing through 'Make in India'; and (c) initiated labour reforms
- Global engineering MNCs such as Bombardier, GE and Alstom are making India into a larger manufacturing hub.
- Global auto majors (Hyundai, Ford, VW, Toyota and Suzuki) plan to increase sourcing from India.

Emerging export sectors

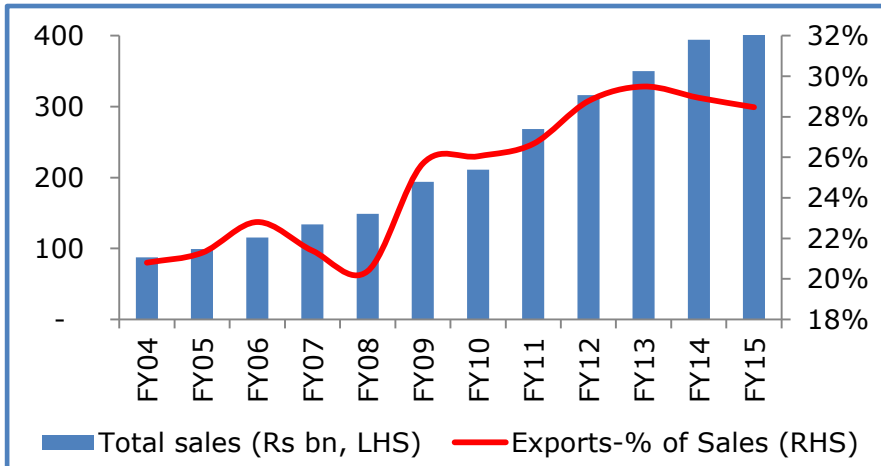
Auto/Auto ancillaries: Growing share of exports



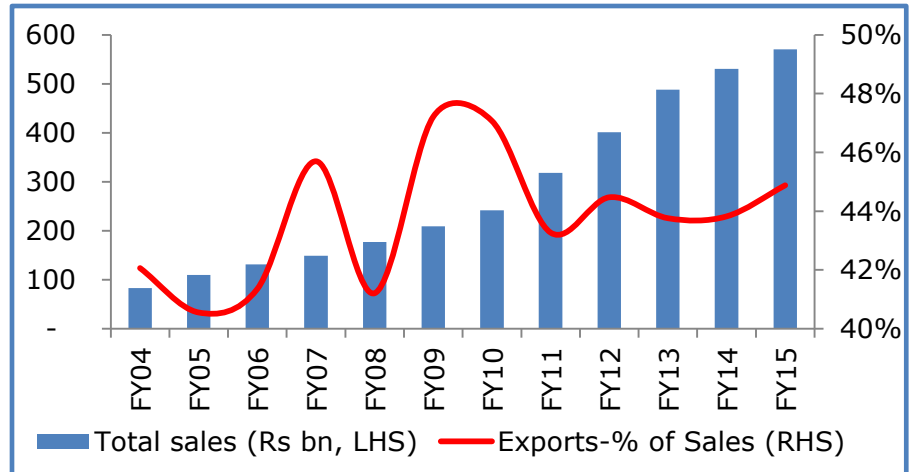
Light industrials: Lower labour costs have led to increasing share of exports



Chemical exports are near all-time highs driven by fine chemical exports



Textiles exports gaining pace over the last few years

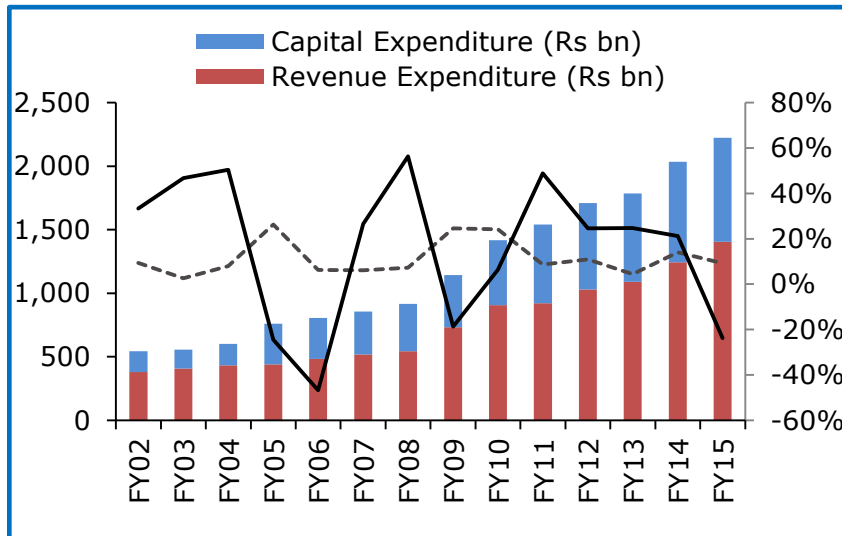


Note: The universe for the above charts is BSE500 universe, except Textiles for which the top 15 textile companies have been used.

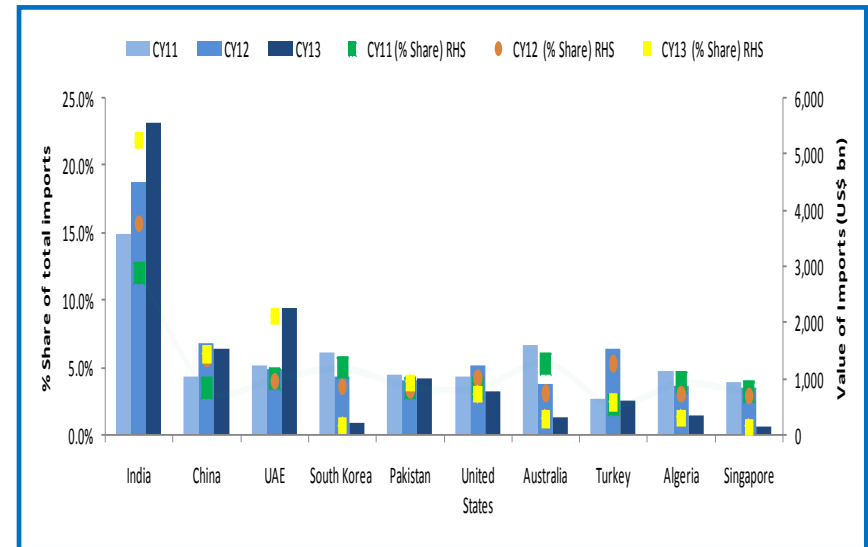
Source: Internal Research , Ambit capital Research

Defence: Emerging from the junkyard

India's defence budget of Rs2 trillion



Despite large industrial base, India is the highest importer

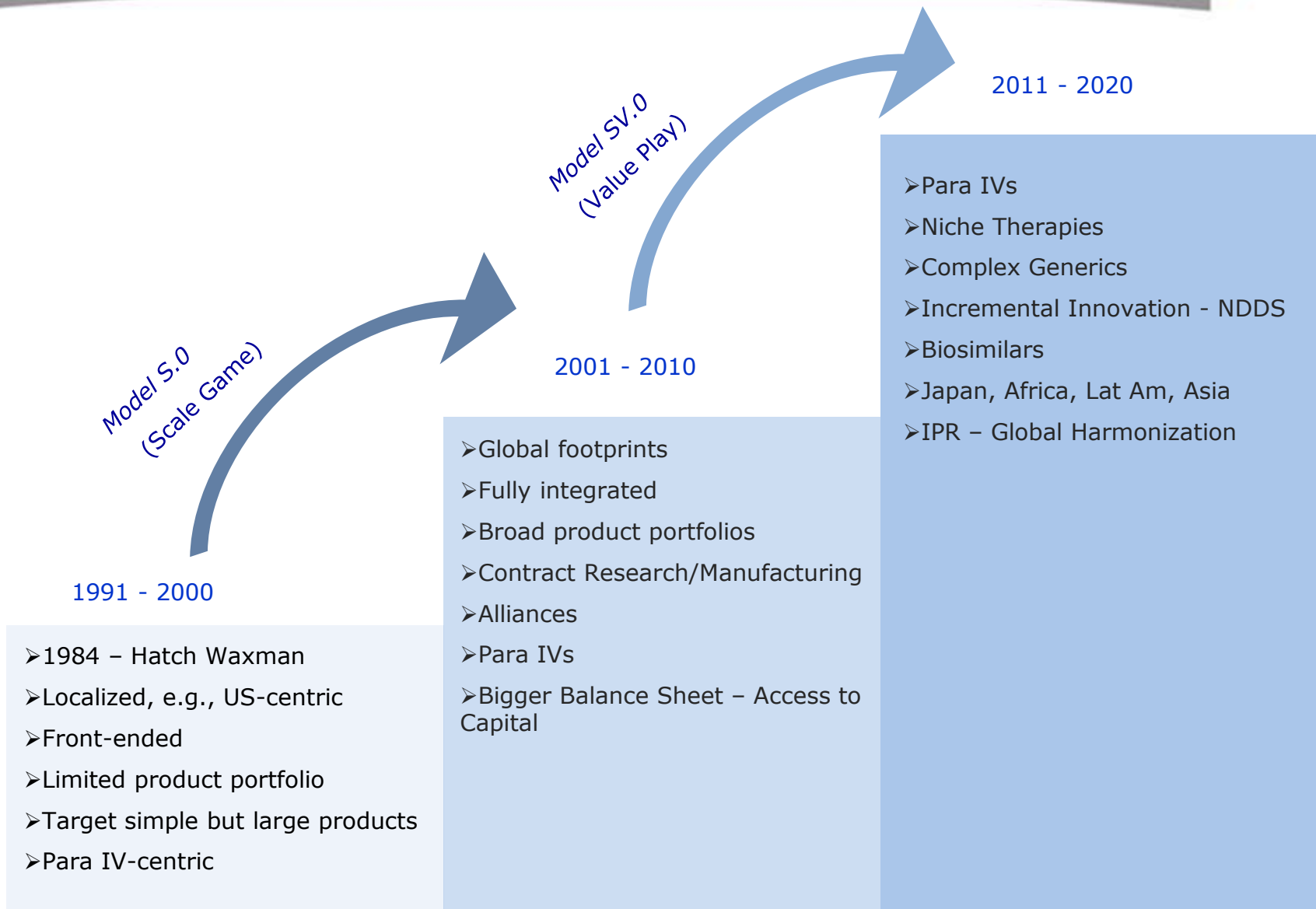


New government initiatives to encourage manufacturing in India

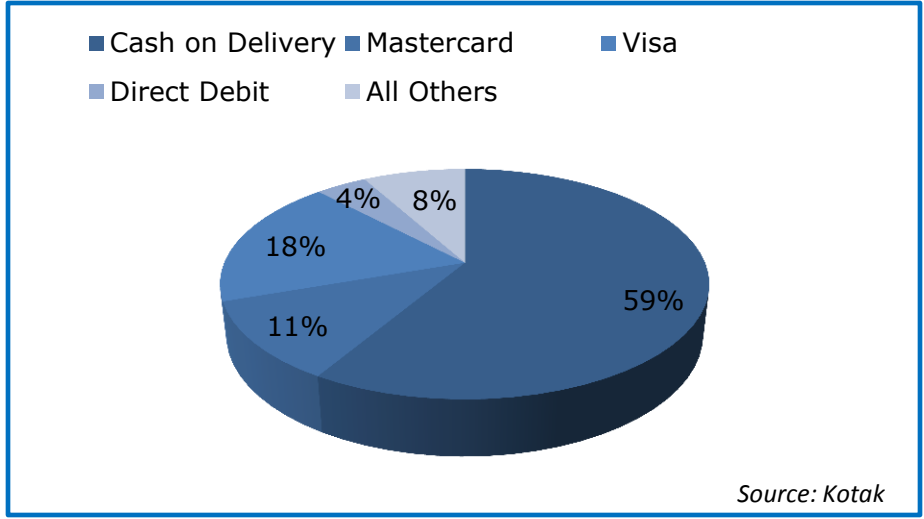
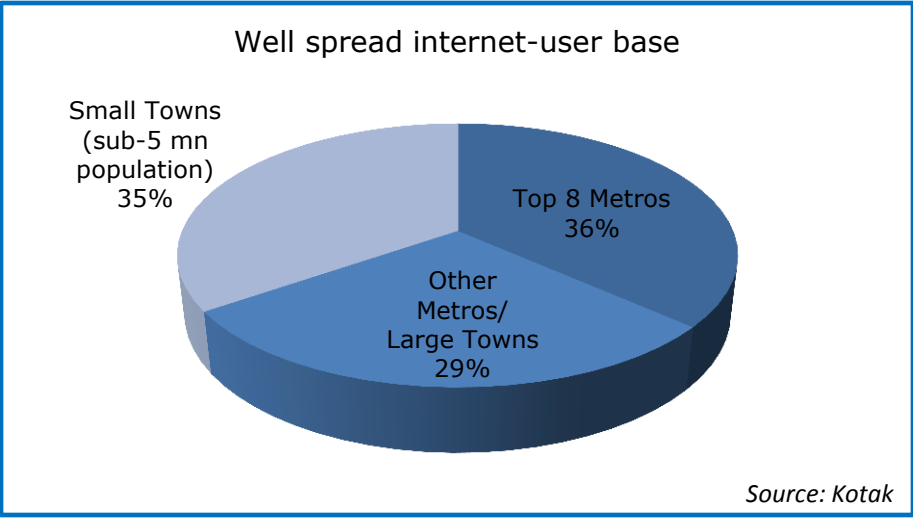
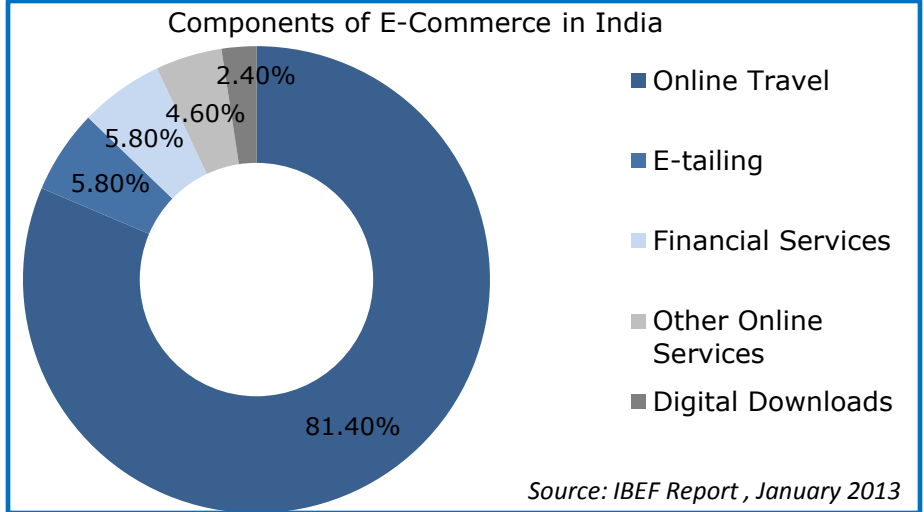
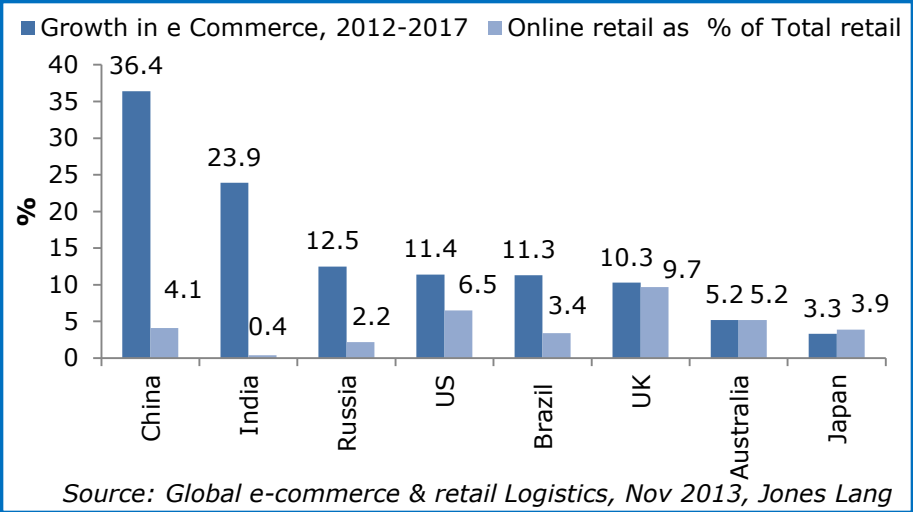
New Government initiatives	Details
Relaxed licensing norms for defence equipment production	Defence license not required to manufacture equipment not used in the battleground
Hike in FDI Limit to 49%	Hike in FDI limit will encourage foreign OEMs to form JV with Indian companies
Project clearances	The Government continues to clear projects. For instance, it cleared orders worth Rs150bn in Sep-15
Emphasis on manufacturing in India	Projects cleared by the Government mandate that equipment be manufactured in India. Imported equipment such as anti-tank missiles will include technology transfer

Source: Internal Research , Ambit capital Research

Healthcare & Pharma: Evolving Generics Business Models



E-commerce: Poised for strong non-linear growth

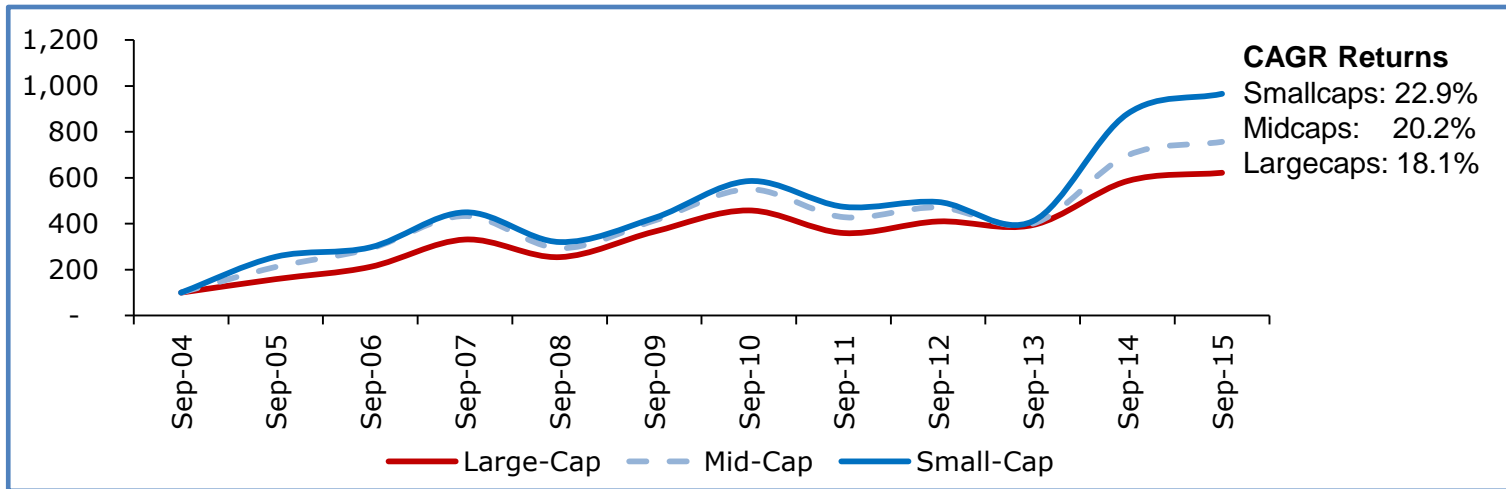


E-commerce is India's new mantra, and is slowly but surely gaining commercial scale in retail, travel, media & entertainment segments

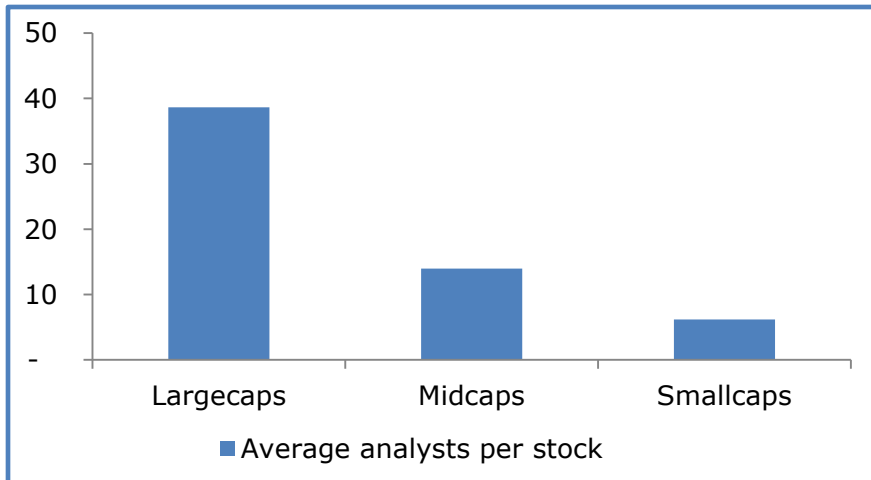
Where do the Opportunities lie?

Large, Mid & Small Caps: The big picture

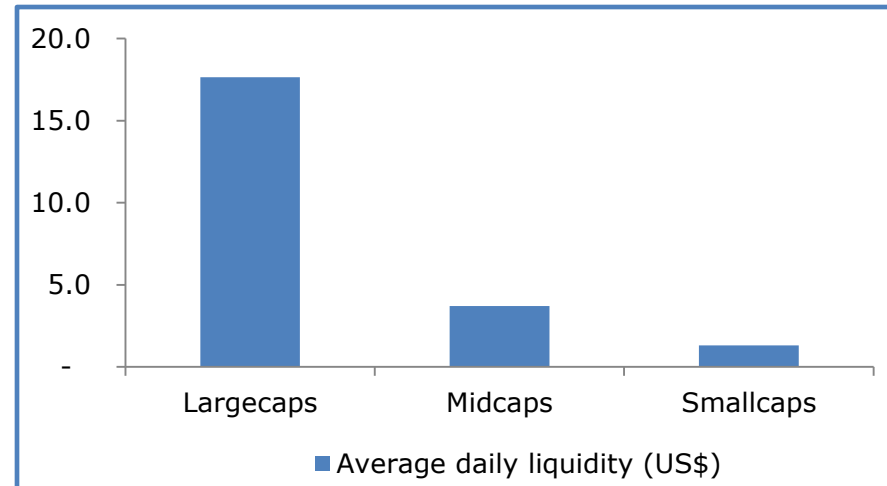
Small-caps have done well over the long run historically*



Higher returns attributable to inefficient price discovery owing to lower analyst coverage...#



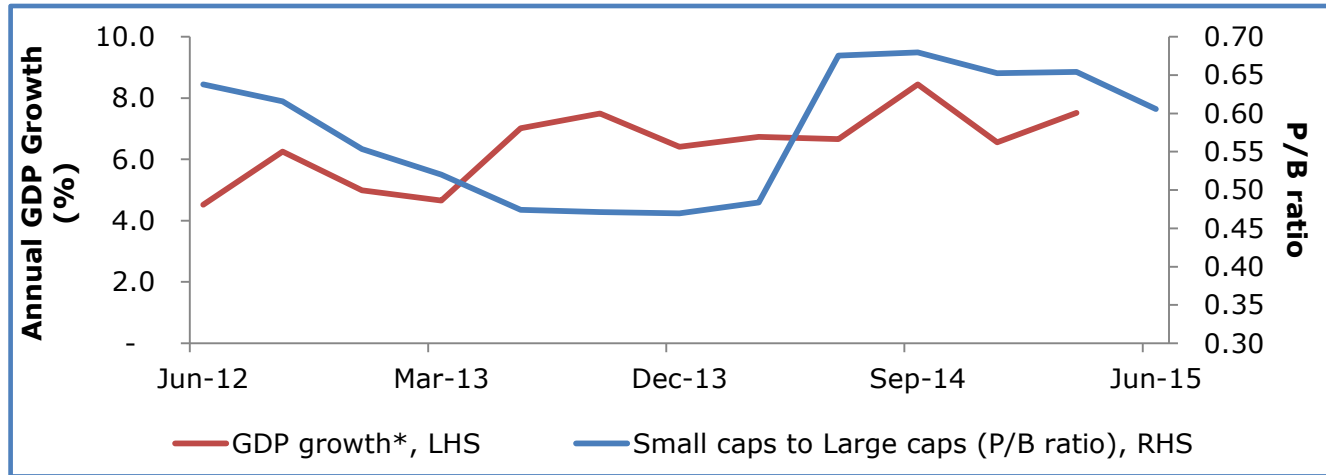
... and lower activity levels#



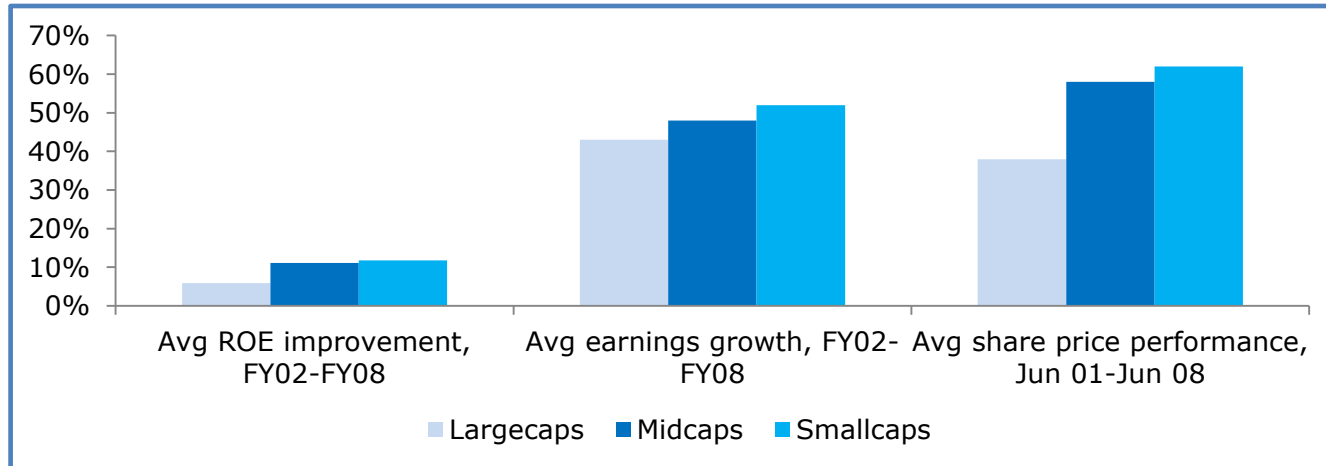
Source: Internal Research , Ambit capital Research

Cyclically small-caps especially attractive today

Cyclically, economic revival should imply small cap rerating

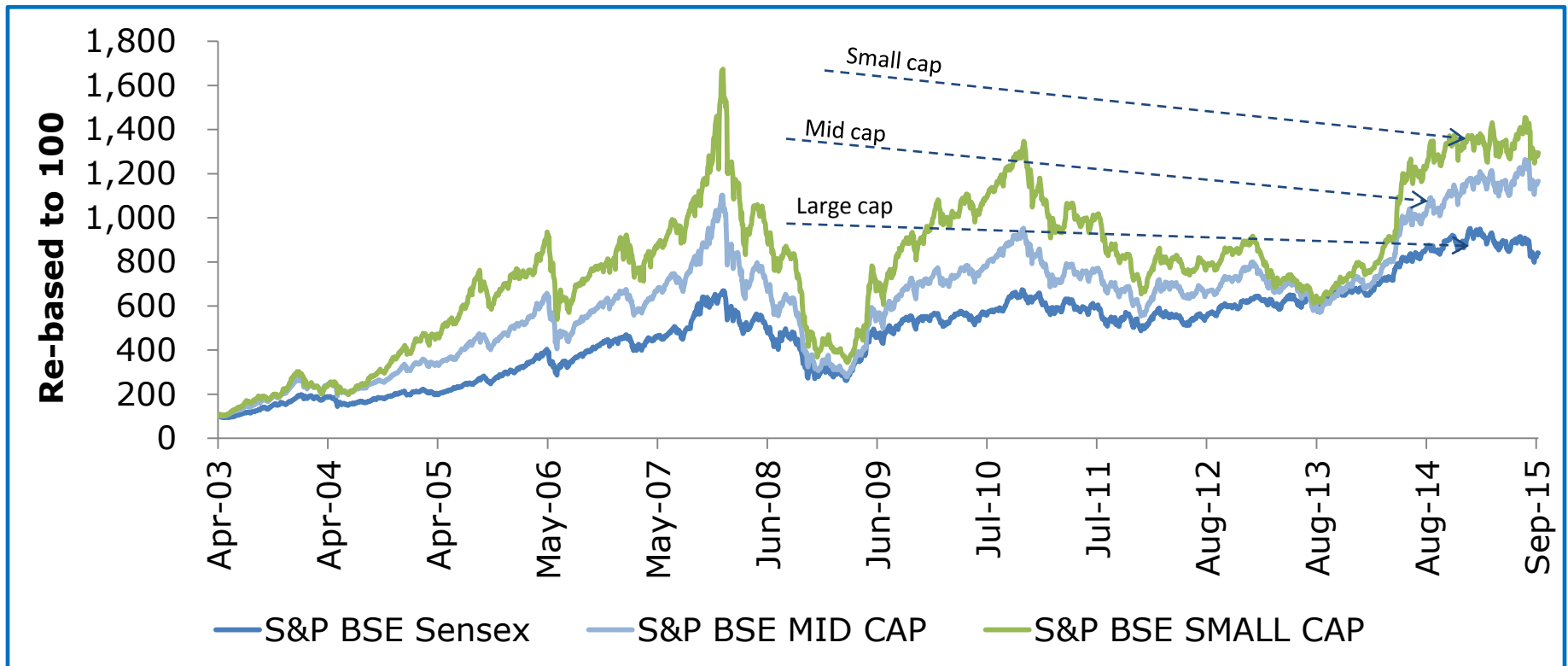


Experience from last economic upcycle (FY02-08) encouraging for smallcaps



Source: Internal Research , Ambit capital Research

Performance of large, mid & small cap in different market phases



- In bull markets, mid & small cap stocks have outperformed the large cap stocks
- Equity markets have corrected significantly from last years highs
- With an expected sustainable bull run in the offing, small and mid cap stocks are poised to outperform large cap stocks

Source: Internal Research, Bloomberg

Stock Selection Process & Strategy

STEP 1: Qualitative Factors

1. Analysis of business
2. Analysis of business model
3. Impact of Macro-economic variables on the business model
4. External variables and its impact on the company
5. Sell-side research interaction

STEP 2: External Analysis

1. Geo-Politics and its impact on business
2. Competition analysis
3. Channel checks
4. Management Meetings
5. Corporate Governance
6. Plant visits

STEP 3: Quantitative Factors

1. Historical Financial analysis
2. Earnings projection
3. Capital Efficiency projections
4. Application of risk metrics and discount

STEP 4: Investment Thesis

1. Building investment thesis
2. Valuation model
3. Target price
4. Attractiveness vis-a-vis other stocks in the investment universe

STEP 5: Investment Decision

1. Portfolio Composition
2. Continuous Monitoring

What do we look for in a stock?

Alignment of
Investment Thesis to
Market Opportunities

Capital Efficiency

Balance Sheet
Strength

Earnings Growth

Management Quality

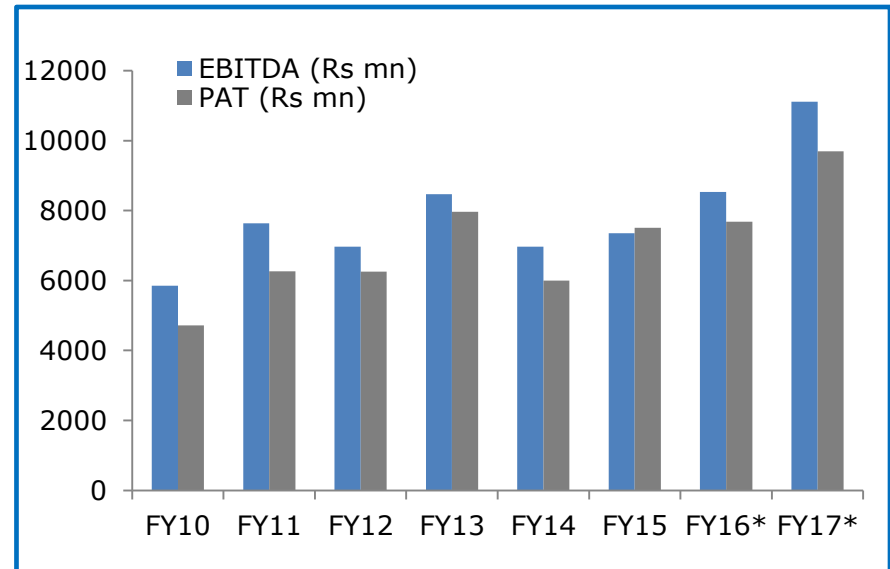
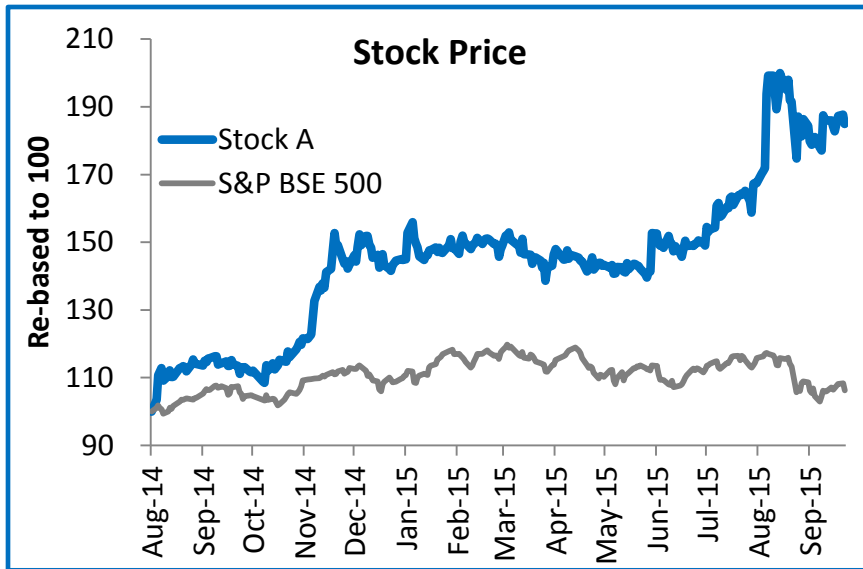
Valuations

Why three year close ended fund?

- SBI Equity Opportunities Fund – Series – IV is a diversified equity fund without bias to any specific segment. However, current opportunities available in the equity market, predominantly lie in the mid & small cap segment. A three year close ended fund would allow the fund manager to manage the portfolio efficiently and to construct a concentrated portfolio with high conviction ideas
- Returns in equity markets are non-linear and to capture them, the fund manager needs to act with patience and discipline, closed ended fund allow the fund manager far more flexibility to ensure a disciplined approach to investing than open ended funds
- Also, a three year closed ended fund offers the flexibility to create a portfolio with long term view and invest into stocks with a three year perspective

Stock Illustrations

Leading company in the Light Engineering sector



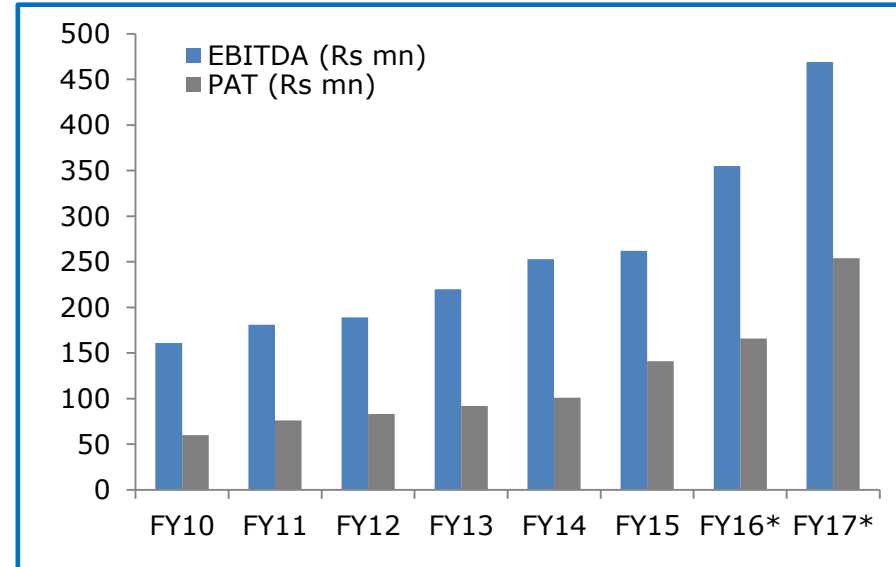
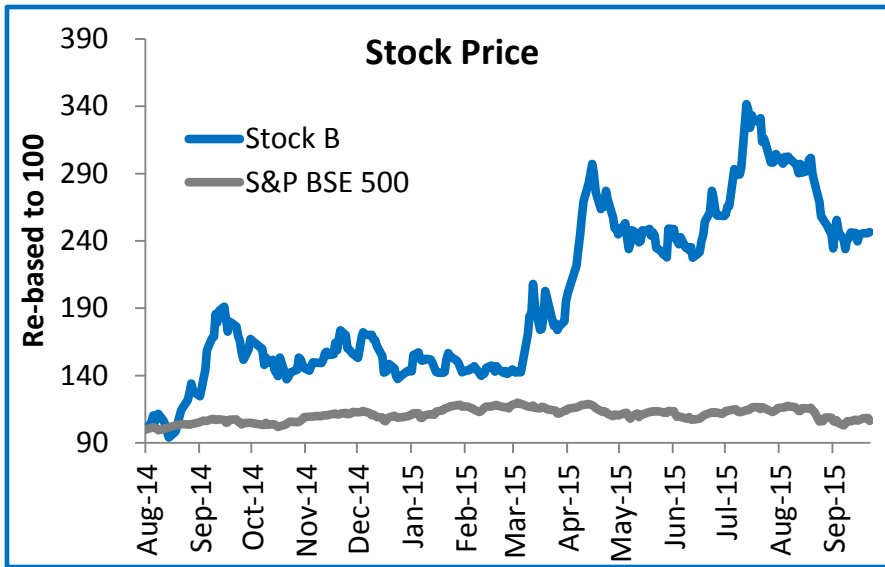
* Estimates

- Beneficiary of being a strong part of the supply chain of the parent due to the available strong and low cost engineering skills
- New opportunities in supplying new products in the low kVA business and expansion into new geographies
- Strong positioning in the domestic market as the power-backup requirements are growing
- Positive traction in the Industrial segments such as compressors, mining, railways/defence and construction
- Profitability growth expectation of 15%+ for the next 3 years and debt-free balance sheet with strong cash flow

This slide is to illustrate the concept of identifying opportune stocks in the market that are likely to benefit from the growth of the economy. There is also a possibility of the expected event not happening or some other unforeseen event that may affect performance of the company. The performance of stocks would ultimately depend on various factors such as prevailing market conditions, global political scenario, exchange rate etc. Investors are requested to note that there are various factors (both local and international) that can have impact on the future performance and expectations of any company. There is no assurance or guarantee of any company being able to sustain its performance in future

Source: Bloomberg, Internal research

Animal Health Care Company



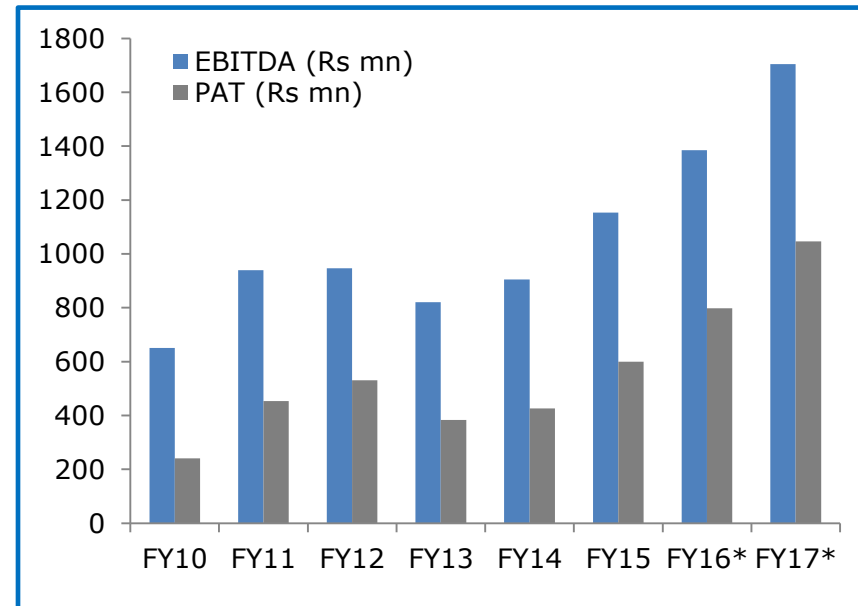
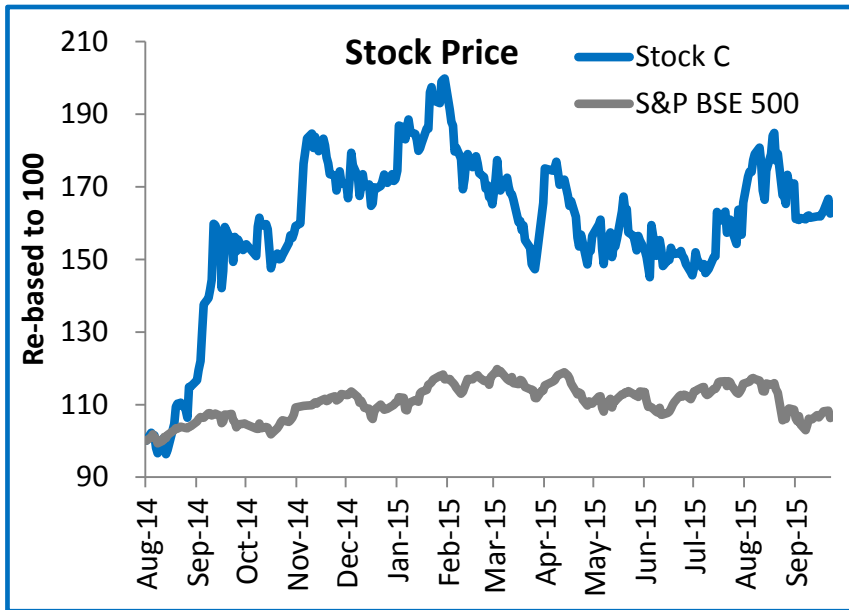
* Estimates

- Dedicated Animal Health company in the country since 1997 with presence in poultry vaccinations and large-animal healthcare
- Animal health care market in the country is growing at 12% CAGR and is currently at around USD 600mn and offers a big opportunity
- Profitable segment of poultry vaccinations
- Low gearing and high potential for growth with uptick in return ratio

This slide is to illustrate the concept of identifying opportune stocks in the market that are likely to benefit from the growth of the economy. There is also a possibility of the expected event not happening or some other unforeseen event that may affect performance of the company. The performance of stocks would ultimately depend on various factors such as prevailing market conditions, global political scenario, exchange rate etc. Investors are requested to note that there are various factors (both local and international) that can have impact on the future performance and expectations of any company. There is no assurance or guarantee of any company being able to sustain its performance in future

Source: Bloomberg, Internal research

An Auto Ancillary Company



* Estimates

- Significant presence in the ride control products (inc. shock absorbers) in all the automotive segments
- Large presence in high-growth OEMs and aftermarket segments. High potential for exports
- Strong manufacturing capabilities with presence in all the regional automotive hubs
- Visible margin improvement through internal cost controls and operating leverage
- Strong cash flow management leading to low Debt to Equity and improving Return on Capital Employed

This slide is to illustrate the concept of identifying opportune stocks in the market that are likely to benefit from the growth of the economy. There is also a possibility of the expected event not happening or some other unforeseen event that may affect performance of the company. The performance of stocks would ultimately depend on various factors such as prevailing market conditions, global political scenario, exchange rate etc. Investors are requested to note that there are various factors (both local and international) that can have impact on the future performance and expectations of any company. There is no assurance or guarantee of any company being able to sustain its performance in future

Source: Bloomberg, Internal research

PRESENTING

**SBI EQUITY OPPORTUNITIES FUND –
SERIES IV**

SBI Equity Opportunities Fund

Scheme Name	SBI Equity Opportunities Fund – Series IV
Fund Structure	A close ended equity scheme
Investment Objective	The investment objective of the scheme is to generate capital appreciation from a diversified portfolio of equity & equity related instruments. However, there can be no assurance that the investment objective of the scheme will be achieved
Plans/Options	The scheme would have two plans viz Direct Plan & Regular Plan. Both plans would offer Growth and Dividend options. Dividend option will have the facility of Payout & Transfer
Minimum Application Amount	Rs. 5000/- and in multiples of Re. 1 thereafter
Benchmark Index	S&P BSE 500
Fund Manager	Mr. Dharmendra Grover

Investment Strategy

- The scheme aims to provide long term capital growth by investing in a well-diversified portfolio of equity and equity related securities across market capitalization and sectors
- The fund would endeavor to participate in the all-round growth of the Indian economy. For this fund manager will identify the stocks that will benefit from the growth of the Indian economy
- The Close-ended nature of the scheme would allow the fund manager the flexibility to execute the investment strategy effectively over the tenure of the scheme and it will help the Fund Manager in selecting companies which have good potential for long term growth prospects
- To reduce the risk of the portfolio, the Scheme may also use various derivative and hedging products from time to time for hedging and rebalancing purposes, in the manner permitted by SEBI

Asset Allocation

Instruments	Indicative allocations (% of total assets)		Risk Profile
	Minimum	Maximum	High/Medium/Low
Equity and Equity related instruments	80	100	High
Debt and Money market instruments*#	0	20	Low to Medium

* Exposure to securitized debt may be to the extent of 20% of the net assets.

#The scheme shall invest in debt and money market instruments which mature only on or before the date of the scheme.

The Scheme shall invest in derivatives within the limits, as prescribed by SEBI from time to time. Investment in derivatives will not exceed 50% of the net assets. The cumulative gross exposure through Equity & Equity related instruments, Debt & Money Market Securities including derivative positions will not exceed 100% of the net assets of the scheme

The Scheme shall not invest in ADR/ GDR/ foreign securities /foreign securitized debt

The Scheme shall invest in repo / reverse repo in corporate debt / bonds

The Scheme shall engage in stock lending & borrowing as permitted under regulation

The Scheme shall not engage in short selling

Why should an Investor Invest?

Macro indicators :

Stable macro indicators while global concerns lead to turmoil in other global markets

Investment driven domestic Government:

Central Government taking the lead in driving investment

Investment Themes:

Potential opportunities arising from structural trends like home improvement, e-commerce, imports substitution & manufacturing exports, defense, education etc.

Investment Management :

Robust stock selection process, tested in various market conditions has potential to identify growth stocks at reasonable valuations

Market Opportunity:

Opportunities across market capitalization with bias towards mid and small caps to generate value for investors in next 3 years

Experience:

SBI Mutual Fund has an experience of over 25 years in managing asset across market cycles, asset classes and styles

SBI FMPL Equity Product Suite

	LARGECAP	MIDCAP	SMALLCAP	MULTICAP
SECTORAL				SBI FMCG FUND SBI PHARMA FUND SBI IT FUND SBI BANKING AND FINANCIAL SERVICES FUND
THEMATIC				SBI COMMA FUND SBI PSU FUND SBI INFRASTRUCTURE FUND SBI ARBITRAGE OPPORTUNITIES FUND (market neutral strategy) SBI EQUITY SAVINGS FUND
DIVERSIFIED	SBI BLUECHIP FUND SBI MAGNUM EQUITY FUND SBI NIFTY INDEX FUND	SBI MAGNUM MIDCAP FUND SBI MAGNUM GLOBAL FUND	SBI MAGNUM SMALL & MIDCAP FUND	SBI EMERGING BUSINESSES FUND SBI CONTRA FUND SBI MAGNUM MULTICAP FUND SBI MAGNUM MULTIPLIER FUND SBI MAGNUM TAXGAIN SCHEME

* Based on current investment strategy of the respective schemes



Navneet Munot
CFA – Chief Investment Officer
(Over 20 years of industry experience)

Navneet joined SBIFM as Chief Investment Officer in 2008. Navneet is responsible for overseeing investments across asset classes worth over \$10 billion. His prior stint was with Morgan Stanley Investment Management as Executive Director and head- multi strategy boutique. Prior to that, Navneet was the Chief Investment Officer - Fixed Income and Hybrid Funds at Birla Sun Life Asset Management Company Ltd. Navneet had been associated with the financial services business of the Birla group for 14 years and worked in various areas such as fixed income, equities and foreign exchange.

Navneet holds masters in accountancy and business statistics from the University of Ajmer and is a Chartered Accountant from ICAI. He is a charter holder of the CFA Institute USA and CAIA Institute USA. He is also an FRM charter holder of Global Association of Risk professionals (GARP)



Dharmendra Grover
Portfolio Manager
(Over 20 years of industry experience)

Dharmendra Grover has 17 years of experience in Indian equity markets in various capacities. His experience spans across the Equity Research side as an Analyst with Credit Suisse (India) Securities and Lloyds Securities, and later, as the Head of Research at Tata Securities. He also headed the Investor Relations function for Tata Motors. As part of a research advisory enterprise, he was also involved in providing research on Indian companies for a India-focussed hedge fund. He has also worked as a Fund Manager at SBI Mutual Fund and Principal Mutual Fund, handling equity mutual fund schemes.

Dharmendra has done his Bachelor of Commerce (Hons.) from Delhi University and Post Graduate Diploma in Rural Management from Institute of Rural Management, Anand.



State Bank of India

- India's premier and largest bank with over 200 years experience (Estd: 1806)
- Asset base of USD 399 bn*
- Pan-India network of ~22,972 branches and ~ 50,000 ATM's as at end of Dec 2014
- Servicing over 256 million customers

Amundi

ASSET MANAGEMENT

- Global leader in asset management
- Backed by Credit Agricole and Société Générale
- More than 2,000 institutional clients and distributors in 30 countries
- Over 100 million retail clients via its partner networks
- € 866 bn AuM as at end of December 2014#

63%



37%

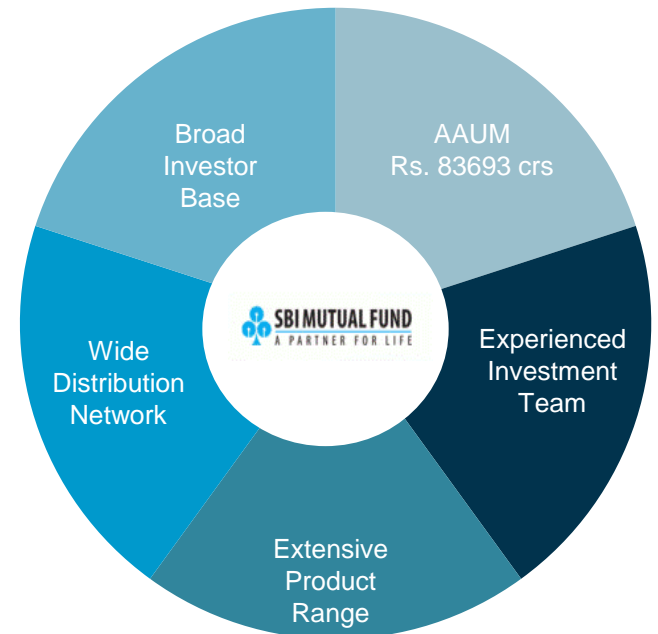
*Source: SBI Analyst Presentation as on end December 2014

Source : Amundi website as on end December 2014

SBI Funds Management: India's First Bank Sponsored Funds

Established in 1987: A leading asset manager in India

- Expertise in managing assets across mutual funds, segregated managed accounts, domestic advisory and offshore advisory business
- Multiple asset classes ranging from equities and debt, money market to ETFs and structured funds
- Investment team of 33 professionals with strong track record
- Broad customer base with ~ 4.09 million folios related to individual, corporate and institutional investors



Source: SBI Funds Management Private Limited, AMFI; Average AUM (AAUM) for the quarter ending on June 30, 2015

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

SBI Funds Management Private Limited
(A joint venture between SBI and AMUNDI)

Corporate Office:

9th Floor, Crescenzo,
C-38 & 39, G Block,

Bandra Kurla Complex,

Bandra (East), Mumbai - 400 051

Tel: +91 22 6179 3000

Fax: +91 22 6742 5687/88/89/90/91

Website: www.sbimf.com



Call: 1800 425 5425



SMS: "SBIMF" to 56161



Email: customer.delight@sbimf.com



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