

INDIA'S FIRST[®]



Haq, ek behtar zindagi ka.

Bank on the top 10 private banks*
UTI Nifty Private Bank Index Fund

Axis Bank RBL Bank
IndusInd Bank
HDFC Bank Kotak Mahindra
Bandhan Bank Federal Bank
IDFC First Bank
City Union Bank **ICICI Bank**



*Top 10 Private Banks are in terms of Free Float Market Capitalisation in the private banking space listed on NSE as on July 31, 2024. #India's first Private Bank Index Fund. Source: AMFI, data as on 26th August 2024

NFO Opens: Sept 02, 2024 | NFO Closes: Sept 16, 2024

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



Landscape of Banking Sector



Credit is a **key propellant of economic growth** to fuel India's ambitions of USD 5tn **economy**

- **Credit growth at 1.5x GDP over a 2-decade period**
- Lenders are key beneficiaries of **faster corporate recoveries and low household credit penetration** – Less than 40% of GDP



Through holding companies, sector provides **exposure to mutual funds, insurance and distribution of third-party products**



Reasonable sector valuations compared to **long-term average**



- Banks' **profitability is best in a decade** with sufficient capital to support growth
- Nifty Private Bank Index **has outperformed Nifty 50 Index by ~400 bps since April 2005***

Two broad segments of banks in India

Private Banks

HDFC Bank

IDFC FIRST Bank

ICICI Bank

AXIS Bank

FEDERAL Bank

CITY Union Bank

Kotak Mahindra Bank

Bandhan Bank

IndusInd Bank

RBL Bank

Deposit Growth **20.5%**

Gross NPA **2.5%**

Credit Growth **29.0%**

RoA **1.9%**

As of March 31, 2024/ FY2024

PSU Banks

SBI

Indian Bank

Punjab National Bank

Central Bank of India

Bank of Baroda

Indian Overseas Bank

Union Bank

UCO Bank

Bank of Maharashtra

Canara Bank

Deposit Growth **10.2%**

Gross NPA **3.5%**

Credit Growth **14.4%**

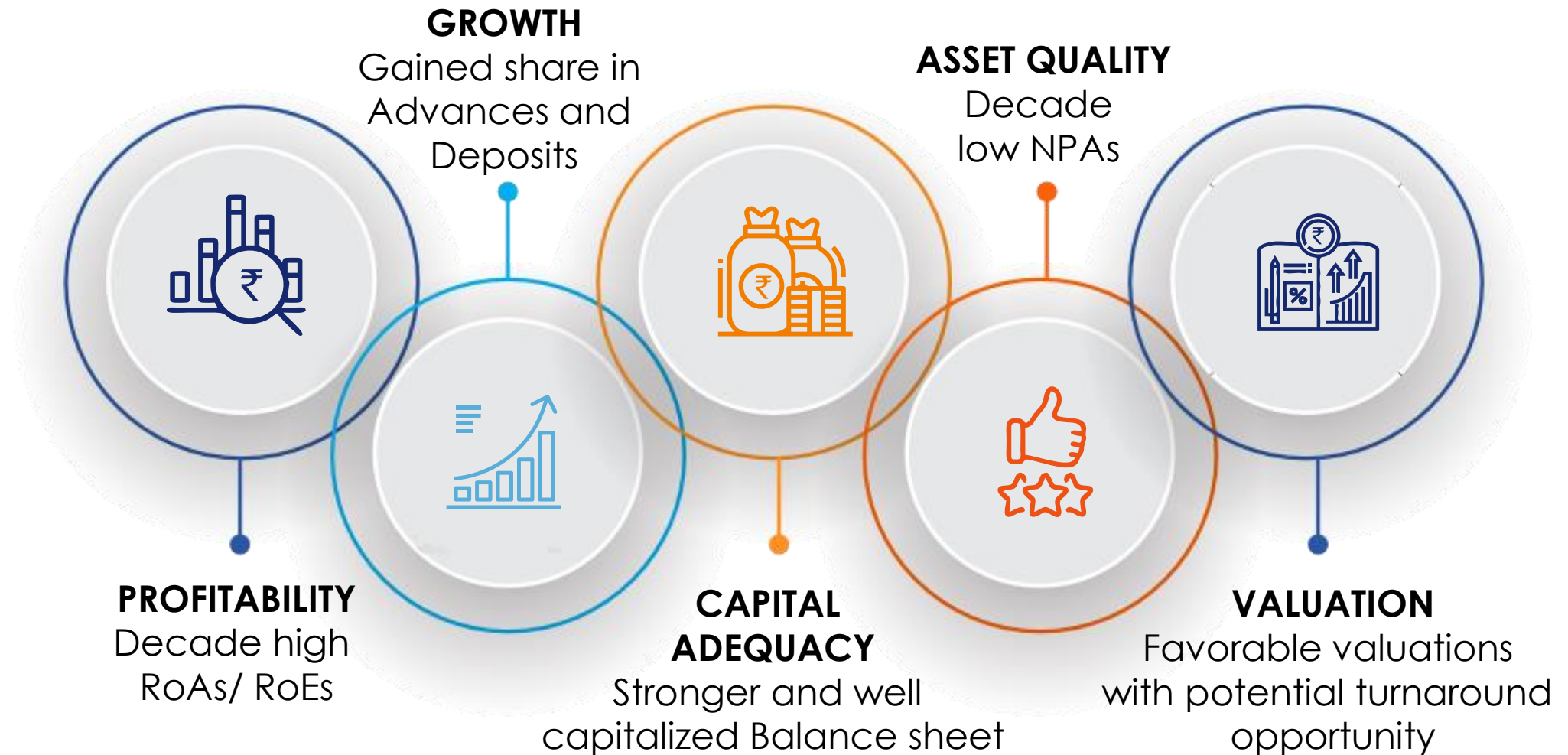
RoA **1.0%**

As of March 31, 2024/ FY2024

The reference of stocks used in this document is for illustrative purposes only and should not be construed as advise. The reference of stocks used are part of the fund's portfolio and is not an endorsement by the Mutual Fund and AMC of their soundness or a recommendation to buy or sell these stocks at any point of time. 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 and above information should not be construed as research report or a recommendation to buy or sell any security.



Why Private Banks Now?

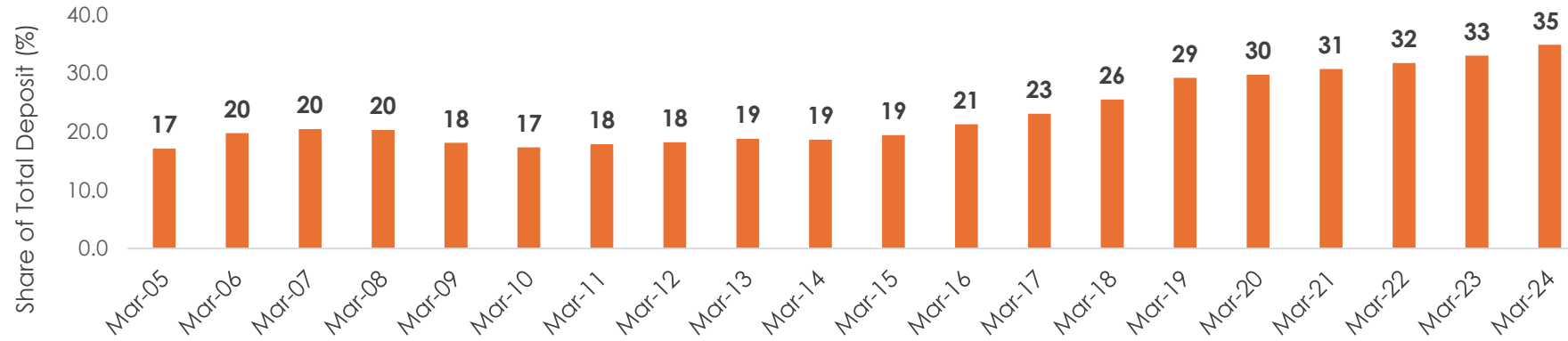


Favourable Ratios of Private Banks

	NIM (%)	RoA (%)	RoE (%)
All Banks	3.2	1.4	15.2
PSU Banks	2.8	1.0	14.6
Private Banks	3.8	1.9	16.1

Private Banks exhibit Healthy Bottomline figures

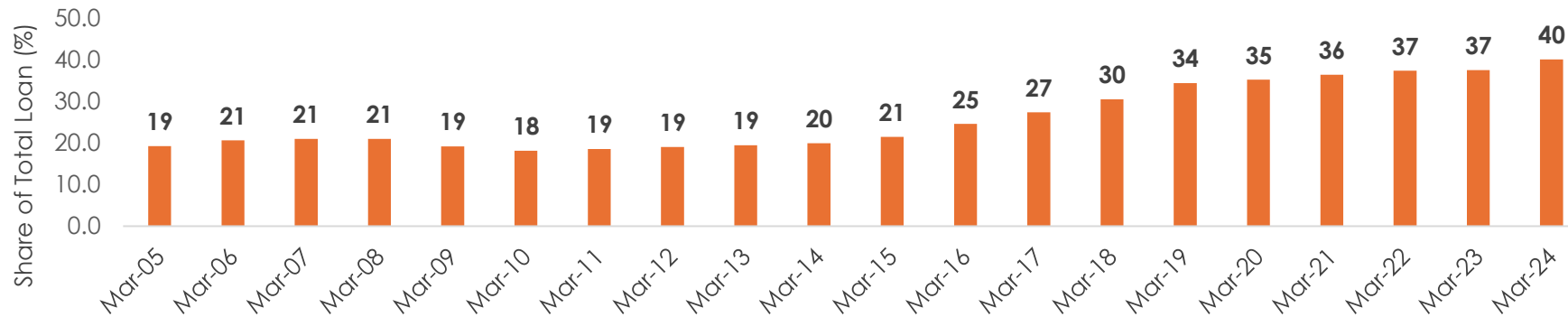
Deposit Market Share of Private Banks



Source: Company Financials, Bloomberg

Deposit Market Share Doubled since 2005

Loan Market Share of Private Banks

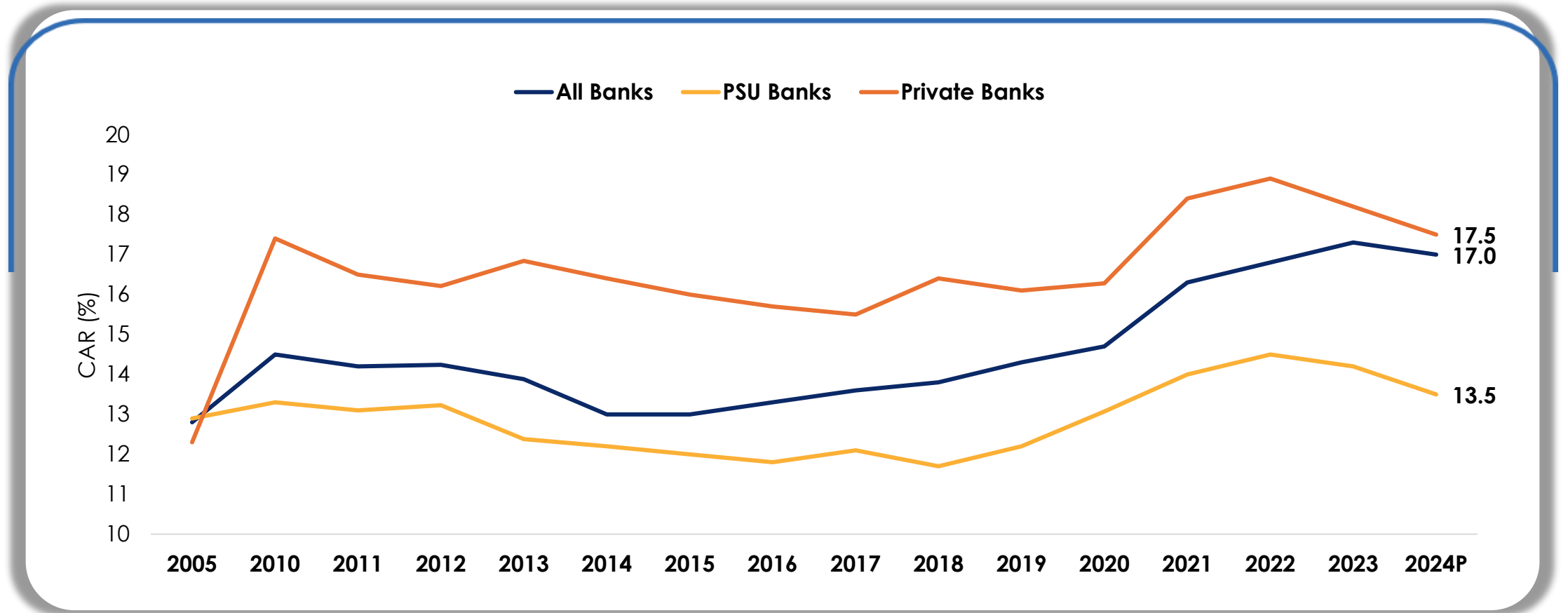


Source: Company Financials, Bloomberg

Loan Market Share Doubled since 2005

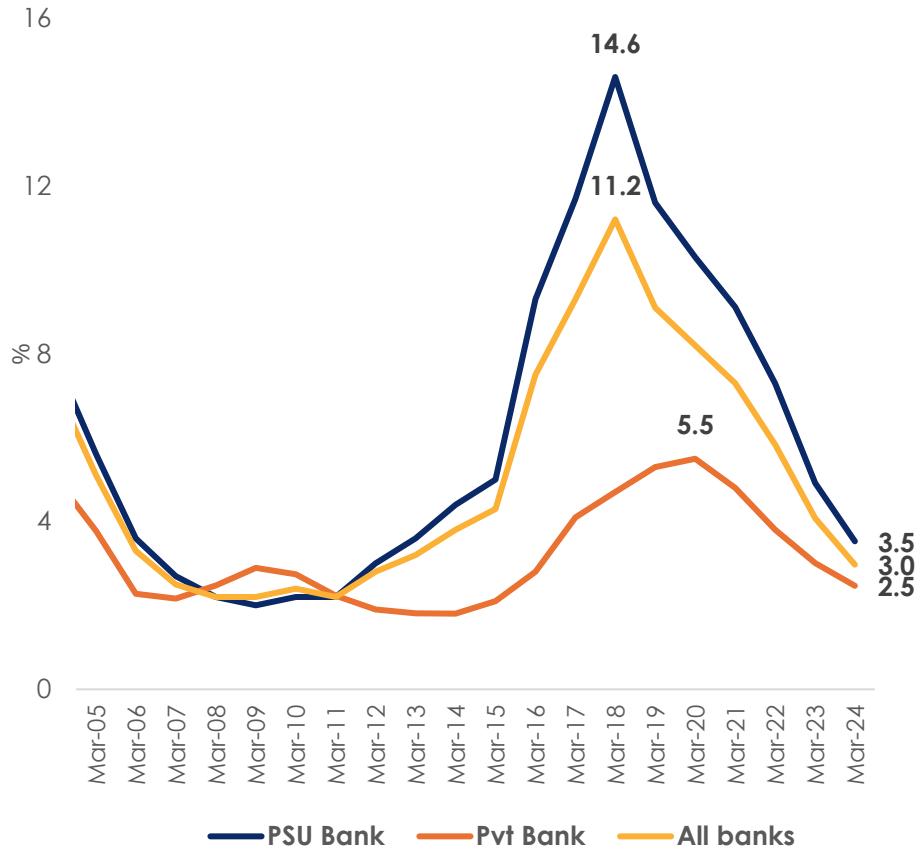
Private Banks have consistently gained deposit & credit market share in last 2 decades

Capital Adequacy Ratio

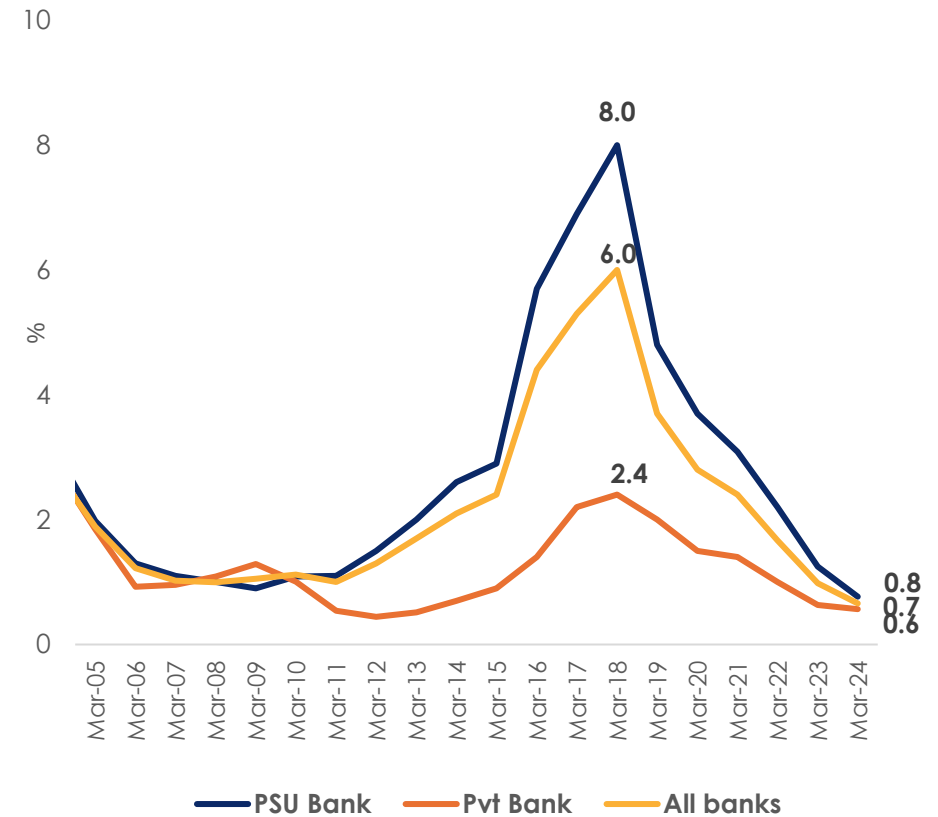


Private Banks are well capitalized for growth

Gross NPA Ratio (%)



Net NPA Ratio (%)

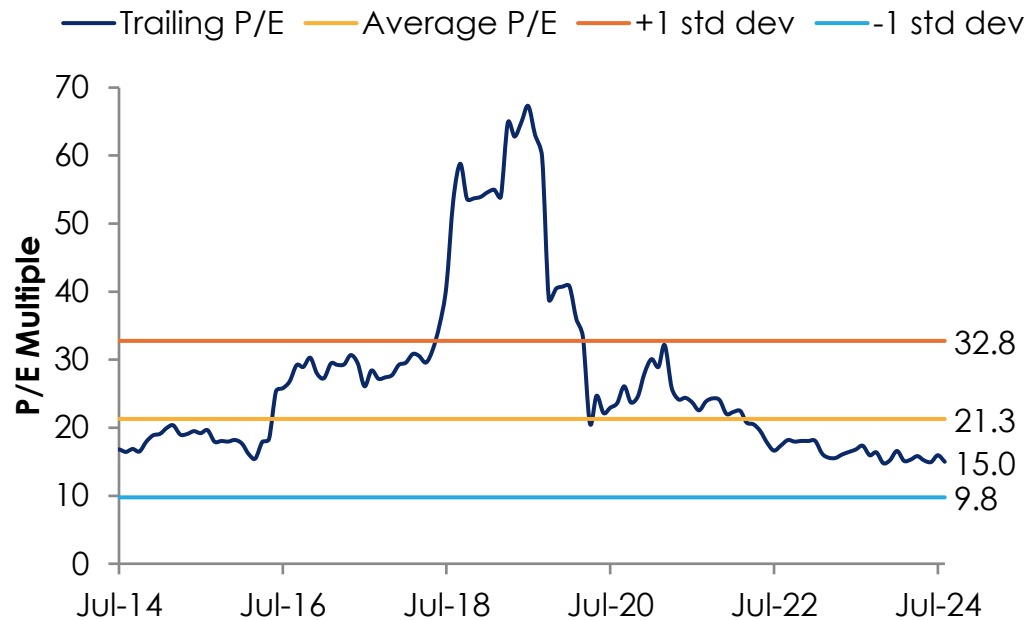


Decadal low Gross and Net NPA Ratios

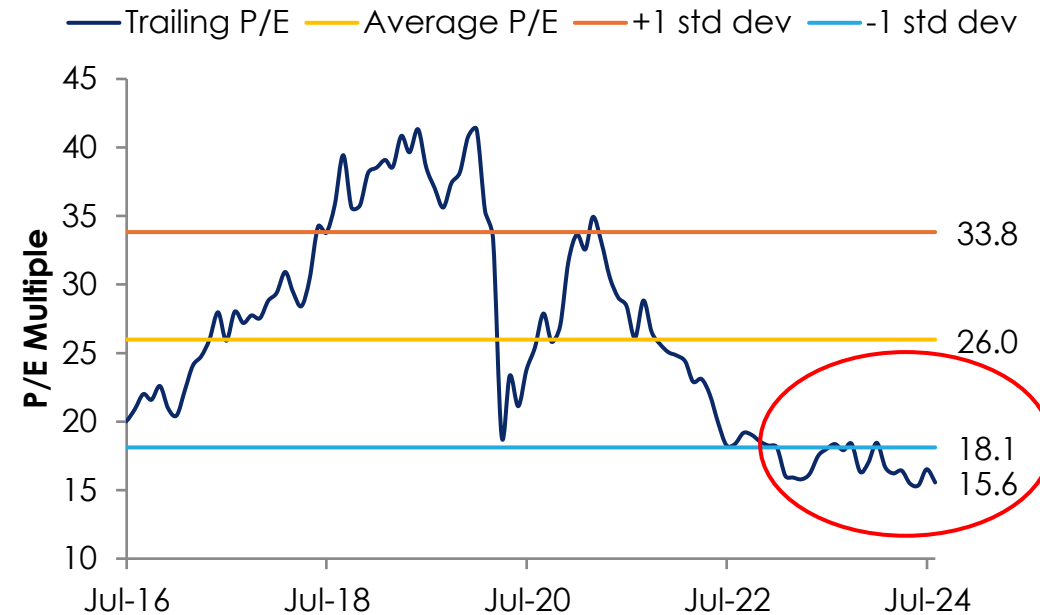
Valuations – Nifty Bank versus Nifty Private Bank

Price to Earnings (P/E)

Nifty Bank



Nifty Private Bank

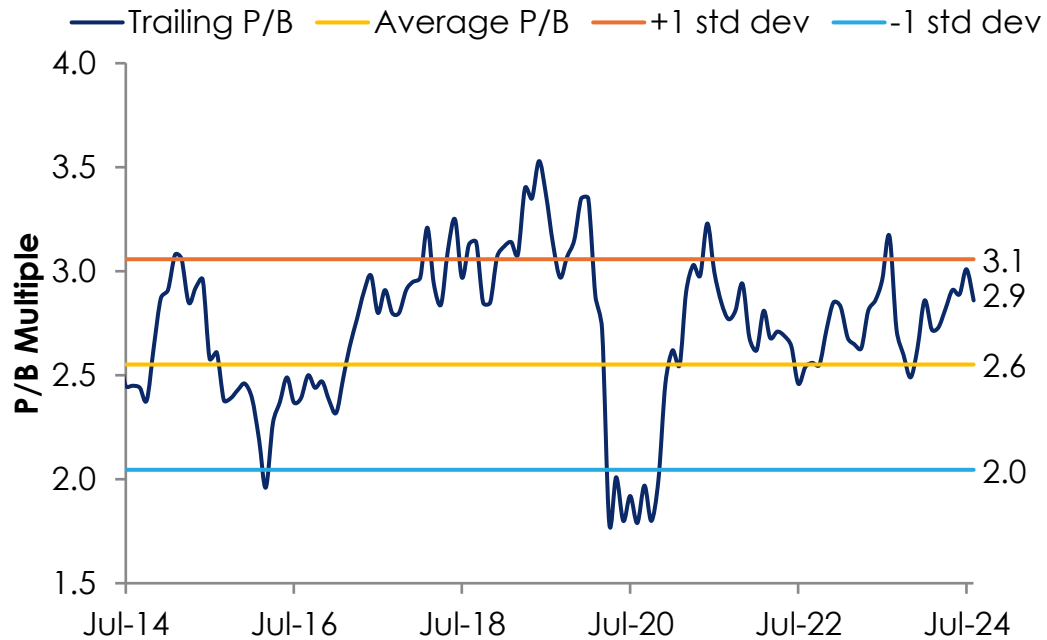


Nifty Private Bank currently trading at 15.6x P/E ratio which is 40% discount to the long-term average of 26x

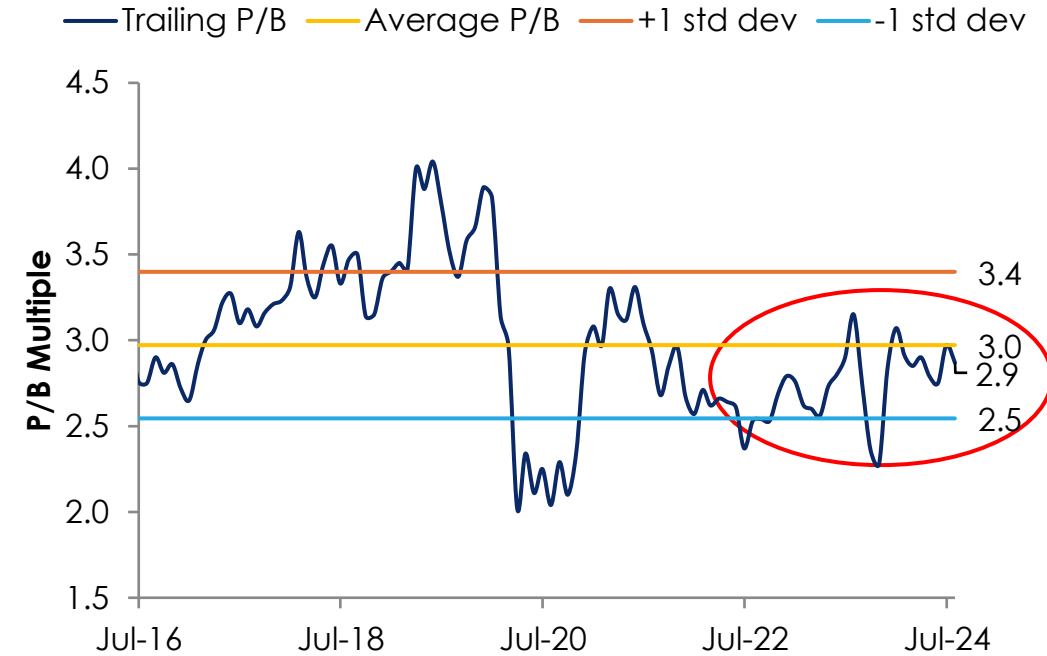
Valuations – Nifty Bank versus Nifty Private Bank

Price to Book (P/B)

Nifty Bank



Nifty Private Bank

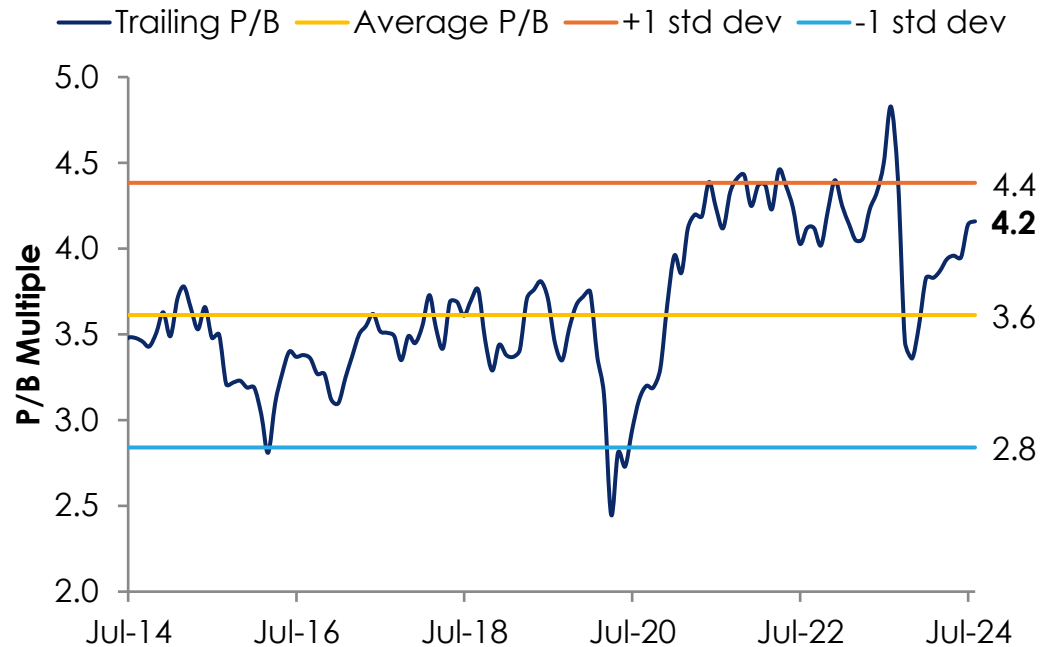


Nifty Private Bank currently trading at long term mean average valuations

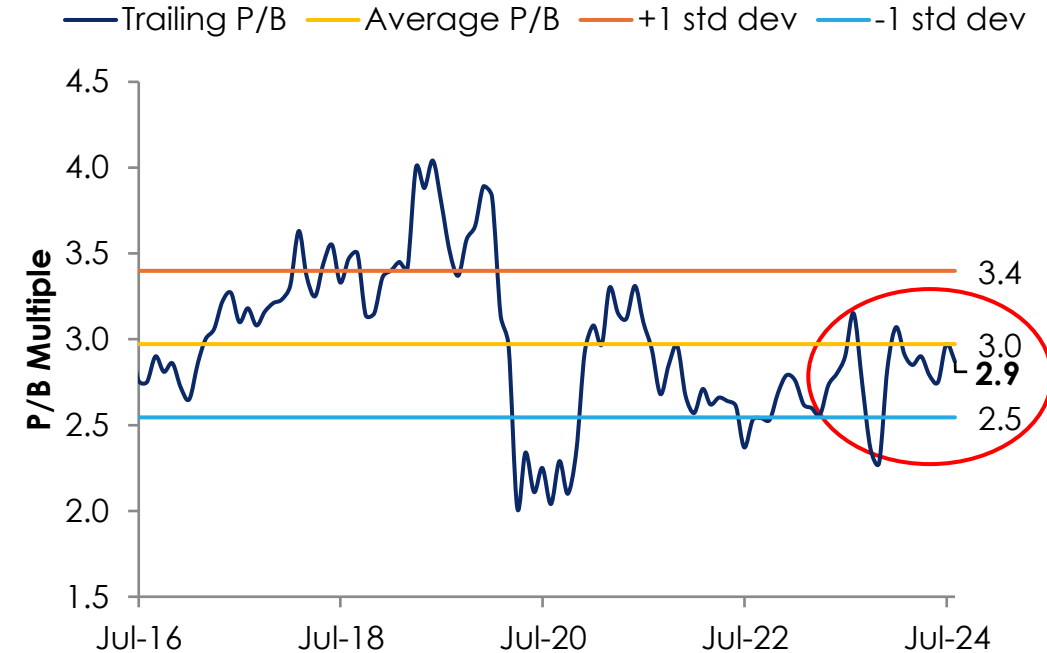
Valuations – Nifty versus Nifty Private Bank

Price to Book (P/B)

Nifty 50



Nifty Private Bank

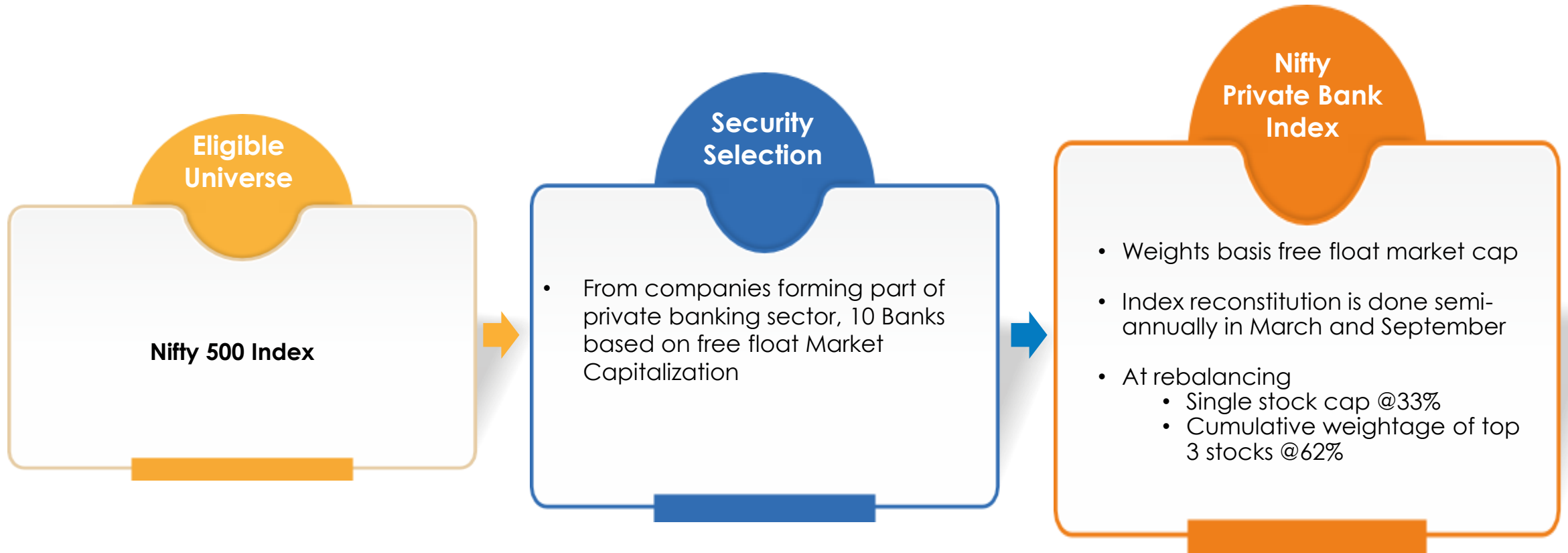


Nifty Private Bank currently trading at over 30% significant discount to Nifty 50



Nifty Private Bank Index

Capturing the performance of the 10 leading Private Banks



*Basis the NSE notification on 23 August, 2024, effective from September 30, 2024 (close of September 27, 2024), no single stock shall be more than 23% at the time of rebalancing.

@Product of NSE Indices Limited (a subsidiary of National Stock Exchange of India (NSE) Limited). In case, the number of eligible stocks representing a particular sector within Nifty 500 falls below 10, then deficit number of stocks shall be selected from the universe of stocks ranked within top 800 based on both average daily turnover and average daily full market capitalisation based on previous six months period data used for index rebalancing of Nifty 500. The Single stock limit of 33% and weightage of top 3 stocks cumulatively limit of 62% at the time of rebalancing. Please refer to page nos. 27-28 of SID for further details

Nifty Private Bank Index – Constituents

Stock Name	Weight (%)	Market Cap	Current P/B	Premium/ Discount to 5-year Avg. P/B	Current P/E	Premium/ Discount to 5-year Avg. P/E
ICICI Bank Ltd.	25.46	8,55,118	3.10	5%	18.57	7%
HDFC Bank Ltd.	25.02	12,30,252	2.69	-4%	18.75	4%
Kotak Mahindra Bank Ltd.	11.39	3,59,432	3.37	-2%	16.68	-16%
Axis Bank Ltd.	11.20	3,60,443	2.37	6%	14.60	-27%
IndusInd Bank Ltd.	11.02	1,11,186	1.74	-8%	12.62	-6%
The Federal Bank Ltd.	5.52	49,294	1.65	64%	10.31	17%
IDFC First Bank Ltd.	4.27	56,832	1.61	21%	19.99	3%
Bandhan Bank Ltd.	2.20	35,132	1.81	-41%	13.03	-12%
RBL Bank Ltd.	2.05	14,263	1.04	3%	12.29	0%
City Union Bank Ltd.	1.58	12,760	1.50	-2%	11.76	11%

Source: NSE Indices Ltd, Bloomberg. Data as on July 31, 2024. The sector(s)/stock(s)/issuer(s) mentioned above do not constitute any research report/recommendation and the schemes may or may not have any future position in these sector(s)/stock(s)/issuer(s)".

Nifty Private Bank Index – Constituents (contd.)

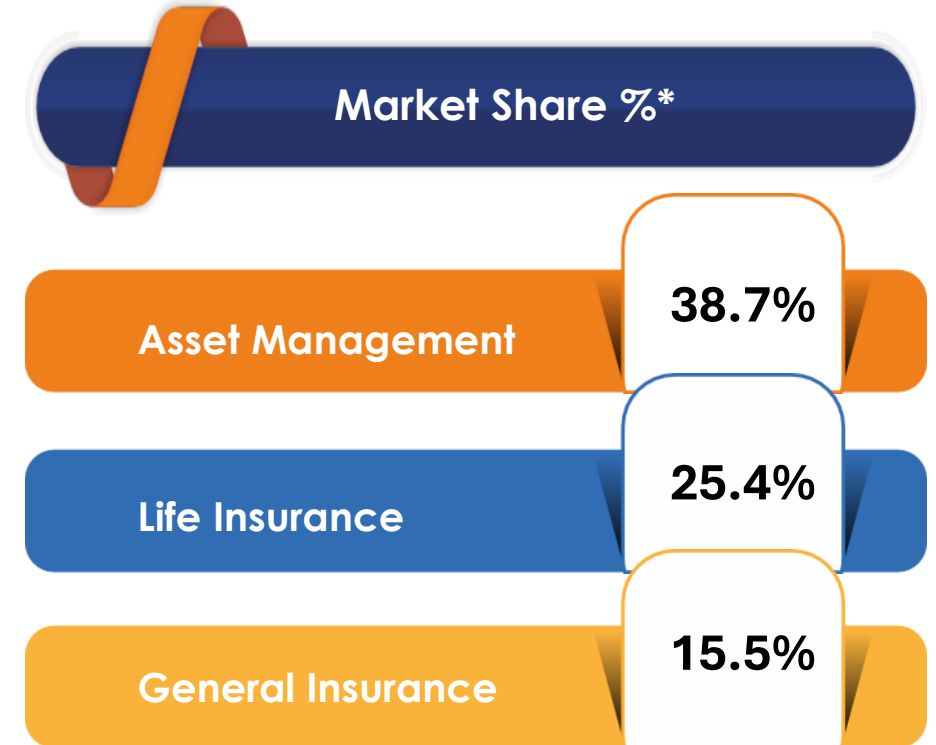
Stock Name	CASA Ratio (%)	CIR (%)	NIM (%)	GNPA (%)	RoA (%)	RoE (%)
ICICI Bank Ltd.	42.2	40.2	4.5	2.2	2.0	18.8
HDFC Bank Ltd.	38.2	40.2	3.5	1.2	2.0	17.2
Kotak Mahindra Bank Ltd.	45.5	46.0	5.3	1.4	2.6	15.0
Axis Bank Ltd.	43.0	48.7	4.1	1.5	1.8	18.4
IndusInd Bank Ltd.	38.0	47.5	4.3	1.9	1.8	15.2
The Federal Bank Ltd.	29.4	62.4	3.2	2.1	1.3	14.9
IDFC First Bank Ltd.	45.6	72.9	6.4	1.5	1.1	10.1
Bandhan Bank Ltd.	39.3	39.5	7.2	4.9	11.9	1.5
RBL Bank Ltd.	35.2	66.6	5.5	2.7	1.0	8.9
City Union Bank Ltd.	31.0	47.1	3.7	4.0	1.5	12.8
All Banks			3.2	3.0	1.4	15.2
PSU Banks			2.8	3.5	1.0	14.6
Private Banks			3.8	2.5	1.9	16.1

CASA Ratio – Current Account Savings Account Ratio; CIR – Cost to Income Ratio; NIM – Net Interest Margin; GNPA – Gross Non-performing Assets; RoA – Return on Assets; RoE – Return on Equity

Source: Bloomberg. Data for the fiscal ending FY24. The sector(s)/stock(s)/issuer(s) mentioned above do not constitute any research report/recommendation and the schemes may or may not have any future position in these sector(s)/stock(s)/issuer(s)".

Private Banks

HDFC Bank	IDFC FIRST Bank	ICICI Bank
AXIS Bank	FEDERAL Bank	CITY Union Bank
Kotak Mahindra Bank	Bandhan Bank	IndusInd Bank
	RBL Bank	



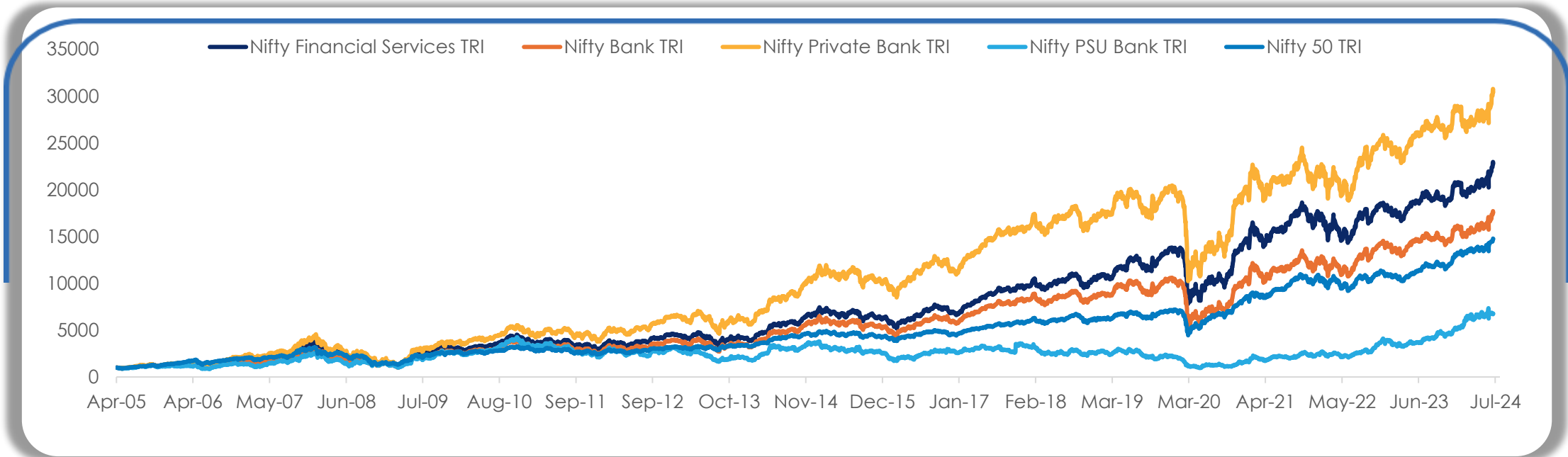
*in respective industry



Nifty Private Bank Index - Performance

Returns – Long term over 19+ years

Parameter	Nifty Private Bank TRI	Nifty PSU Bank TRI	Nifty Bank TRI	Nifty Financial Services TRI	Nifty 50 TRI
CAGR Returns %	19.2%	10.4%	15.9%	17.5%	15.2%
Annualised Standard Deviation	28.8%	34.4%	28.1%	27.2%	21.3%
Risk-Adjusted Returns	0.67	0.30	0.56	0.64	0.71
Value of ₹1 Lac Invested	30 lacs	6.8 lacs	17.3 lacs	22.8 lac	15.4 lacs



NIFTY Private Bank has significantly outperformed other indices in the sector as well as Nifty 50 in long term

Returns – Financial Year

Financial Year	Nifty Private Bank TRI	Nifty PSU Bank TRI	Nifty Bank TRI	Nifty Financial Services TRI	Nifty 50 TRI
FYTD 2024-25	10%	6%	10%	12%	12%
FY – 2024	15%	90%	17%	17%	30%
FY – 2023	13%	40%	13%	6%	1%
FY – 2022	4%	27%	10%	10%	20%
FY – 2021	75%	63%	74%	69%	73%
FY – 2020	-41%	-60%	-37%	-25%	-25%
FY – 2019	27%	16%	26%	24%	16%
FY – 2018	17%	-18%	14%	18%	12%
FY – 2017	31%	45%	34%	34%	20%
FY – 2016	-7%	-27%	-11%	-12%	-8%
FY – 2015	54%	25%	44%	45%	28%
FY – 2014	18%	-7%	14%	13%	19%
FY – 2013	21%	-8%	13%	16%	9%
FY – 2012	-1%	-23%	-12%	-10%	-8%
FY – 2011	25%	36%	25%	25%	12%
FY – 2010	167%	117%	133%	127%	75%
FY – 2009	-46%	-29%	-37%	-41%	-35%
FY – 2008	29%	42%	27%	35%	25%
FY – 2007	43%	-1%	16%	23%	14%
FY – 2006	53%	20%	31%	45%	67%

Underperformance over past 3+ years presents the opportunity

Returns - Daily Rolling over 19+ years



3 Years Rolling Returns – 4044 Observations

	Nifty Private Bank TRI	Nifty PSU Bank TRI	Nifty Bank TRI	Nifty Financial Services TRI	Nifty50
Average Returns %	17.4	7.8	14.8	15.8	12.4
Annualised Standard Deviation %	10.6	18.9	8.9	8.1	6.9
Risk-Adjusted Returns	1.6	0.4	1.7	1.9	1.80
% of Times outperforming Nifty 50	76	34	65	75	-

5 Years Rolling Returns – 3557 Observations

	Nifty Private Bank TRI	Nifty PSU Bank TRI	Nifty Bank TRI	Nifty Financial Services TRI	Nifty50
Average Returns %	17.6	4.6	14.7	15.9	12.0
Annualised Standard Deviation %	7.6	10.6	5.4	5.2	4.5
Risk-Adjusted Returns	2.3	0.4	2.7	3.0	2.6
% of Times outperforming Nifty 50	72	27	73	87	-

Source: MFI Explorer. Rolling Returns with daily frequency of indices as mentioned above on 3 years & 5 Years periods respectively. CAGR – Compounded Annual Growth Rate.

Data period: April 10, 2005 to July 31, 2024. Past performance may or may not be sustained in future. Past performance may or may not be sustained in the future and shall not be used for comparison with other investments. The figures pertain to performance of the index and do not indicate the returns/performance of the scheme. It is not possible to invest directly in Index

Information Classification: UTI AMC - Confidential



Presenting

UTI NIFTY Private Bank Index Fund

(An open-ended scheme replicating/tracking Nifty Private Bank TRI)



Investment Objective



The investment objective of the scheme is to provide returns that, before expenses, corresponds to the total return of the securities as represented by the underlying index, subject to tracking error. However, there is no guarantee or assurance that the investment objective of the scheme will be achieved.

Investment Strategy



The investment strategy would revolve around reducing the tracking error to the least possible through regular rebalancing of the portfolio, considering the change in weights of stocks in the Index as well as the incremental collections/redemptions in the Scheme.

Investment Universe



The investment universe of the fund will be the constituents of NIFTY Private Bank Index.

Rebalancing



Rebalancing is done Semi-annually i.e. March and September.

Type of scheme
An open-ended scheme replicating/tracking Nifty Private Bank TRI.



Benchmark
Nifty Private Bank TRI



Loads
Entry Load : Nil (Not Applicable #)
Exit Load : Nil



Plans & Options
Regular and Direct Plan
Both the plans offer only Growth Option.



Minimum Application Amount
Minimum initial investment amount is Rs. 5,000/- and in multiples of Rs. 1/- thereafter.
Subsequent minimum investment amount under a folio is Rs. 1,000/- and in multiples of Rs. 1/- thereafter with no upper limit. Refer SID for minimum SIP Amount.

NFO opens on 2nd September 2024
NFO closes on 16th September 2024

Why UTI Nifty Private Bank Index Fund ?



India's first Nifty Private Bank Index Fund, source : AMFI (data as on 26th Aug 2024)

Source: NSE Indices, MFI Explorer & Bloomberg. Nifty Indices, P/E - Price to Earnings Ratio Avg: Average, std dev: Standard Deviation, Nifty Bank: data from April 1, 2005 to August 06, 2024; Nifty Private Bank: data from April 1, 2005 to August 06, 2024. Rolling Returns with daily frequency of indices as mentioned above on 3 years & 5 Year periods respectively. CAGR – Compounded Annual Growth Rate. Data period: April 10, 2005 to July 31, 2024. Past performance may or may not be sustained in the future and shall not be used for comparison with other investments. The figures pertain to performance of the index and do not indicate the returns/performance of the scheme. It is not possible to invest directly in Index. \$ In terms of Free Float Market Capitalisation

UTI Mutual Fund: Edge in the Index Fund Category



Experience

Managing Index Funds over 2 decades



Scale

Largest Asset Manager in the Category with AuM over INR 34,000 Crs across 13 funds



Track Record

One of the lowest tracking Error & tracking difference across time frames



System & Processes

Efficient replication through adequate systems and processes

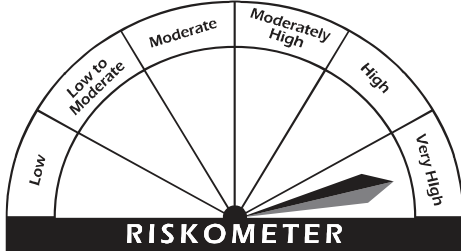



Cost Structure

Maintaining Competitive Expense Structure across Index Fund offerings

UTI Nifty Private Bank Index Fund

(An open-ended scheme replicating/tracking Nifty Private Bank TRI)

Product Label	Fund Riskometer	Benchmark Riskometer
<p>UTI Nifty Private Bank Index Fund (An open-ended scheme replicating/tracking Nifty Private Bank TRI)</p> <p>Benchmark : Nifty Private Bank TRI #</p> <p>This product is suitable for investors who are seeking*:</p> <ul style="list-style-type: none"> Returns that are commensurate with the performance of Nifty Private Bank Index over long term, subject to tracking error. Investment in securities covered by Nifty Private Bank Index 	 <p>RISKOMETER Investors understand that their principal will be at Very High Risk.</p> <p>Fund : UTI Nifty Private Bank Index Fund</p>	 <p>RISKOMETER Benchmark riskometer is at Very High risk</p> <p>Benchmark : Nifty Private Bank TRI #</p>

Product labelling assigned during the New Fund Offer (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.

Based on the Index Composition as on July 31, 2024.

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

Disclaimer

REGISTERED OFFICE: UTI Tower, 'GN' Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400051. Phone: 022 – 66786666. UTI Asset Management Company Ltd (Investment Manager for UTI Mutual Fund) Email: invest@uti.co.in. (CIN-L65991MH2002PLC137867). For more information, please contact the nearest UTI Financial Centre or your AMFI/NISM certified UTI Mutual Fund Independent Financial Advisor (IFA) for a copy of the Statement of Additional Information, Scheme Information Document, and Key Information Memorandum cum Application Form.

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The fund Strategy shown is subject to change with respect to peer-set and benchmark. Limits mentioned are internal prudential norms. For asset allocation and related details, please refer to the Scheme Information Document of the respective schemes.

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