


SBI ENERGY OPPORTUNITIES FUND

ENERGISING INDIA. ENERGISING YOUR PORTFOLIO.

NFO Period:
06th Feb - 20th Feb 2024

An open-ended equity scheme following the energy theme.

INDIAN ENERGY THEME – A MULTI DECADE AATMANIRBHAR BHARAT STORY

India's energy sector is on a trajectory towards self-sufficiency, aligning with the Aatmanirbhar Bharat vision. Positioned as one of the largest and fastest-growing energy markets globally, the country is witnessing a shift from conventional combustion to electrification. Projections indicate a robust 6.4% CAGR in energy consumption, excluding coal and oil, until 2050. With a natural advantage in green energy, India is expected to transition from an energy-deficient state to being energy self-sufficient.

TAILWINDS FROM FAVORABLE GOVERNMENT POLICIES TRADITIONAL ENERGY

Shift from energy deficiency to energy self-sufficiency could insulate government policies from external turbulence



Oil Value Chain

- Remunerative realisation for domestic Oil and Gas along with favourable exploration and production policy to encourage growth in domestic production
- Elimination of auto fuel subsidy and stability in crude prices have provided Government the necessary backdrop for policy impetus



Gas Value Chain

- Government intends to increase the share of natural gas from ~6.5% to 15% by 2030. Expansion of national gas grid by 40% over past 5 years through expansion of city gas distribution (CGD) networks covering 95% of the population
- Unified tariff implemented with principle of One Nation One Grid



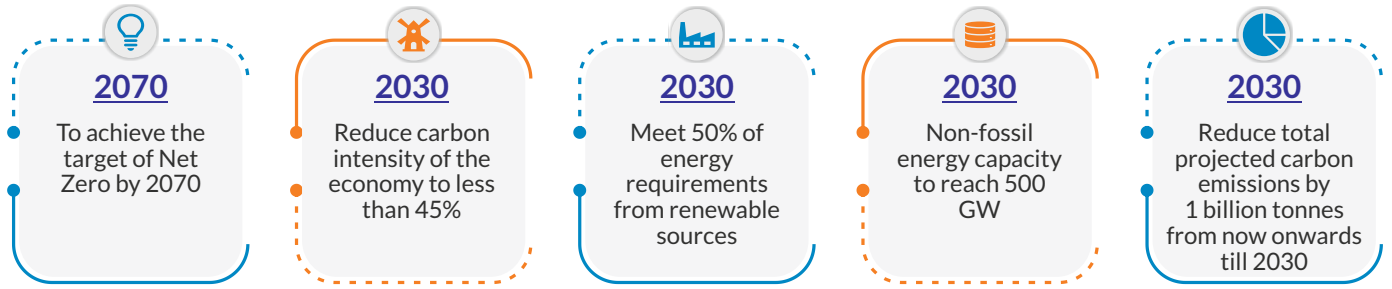
Power Value Chain

- Impetus on domestic coal production to ensure fuel security
- Reforms in power transmission & distribution to ensure that the ecosystem builds the capacity to facilitate efficient growth

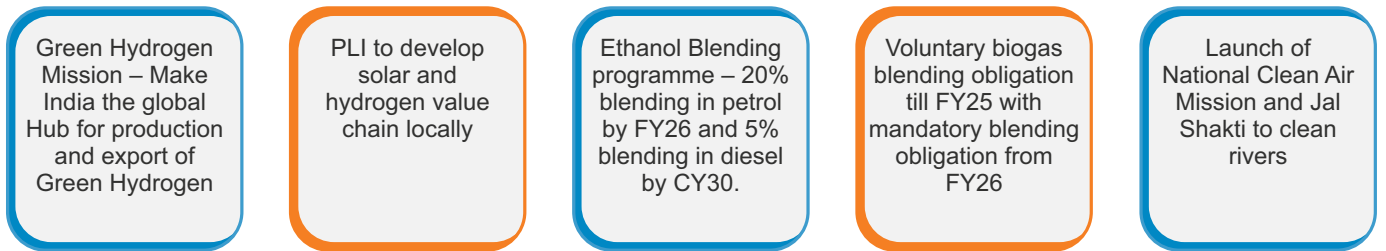
Source: The green shift - The low carbon transition of India's Oil & Gas sector report by Ministry of Petroleum and Natural Gas, SBIMF research.

TAILWINDS FROM FAVORABLE GOVERNMENT POLICIES GREEN ENERGY

India's Commitment in COP 26 - 'Panchamrit' Strategy



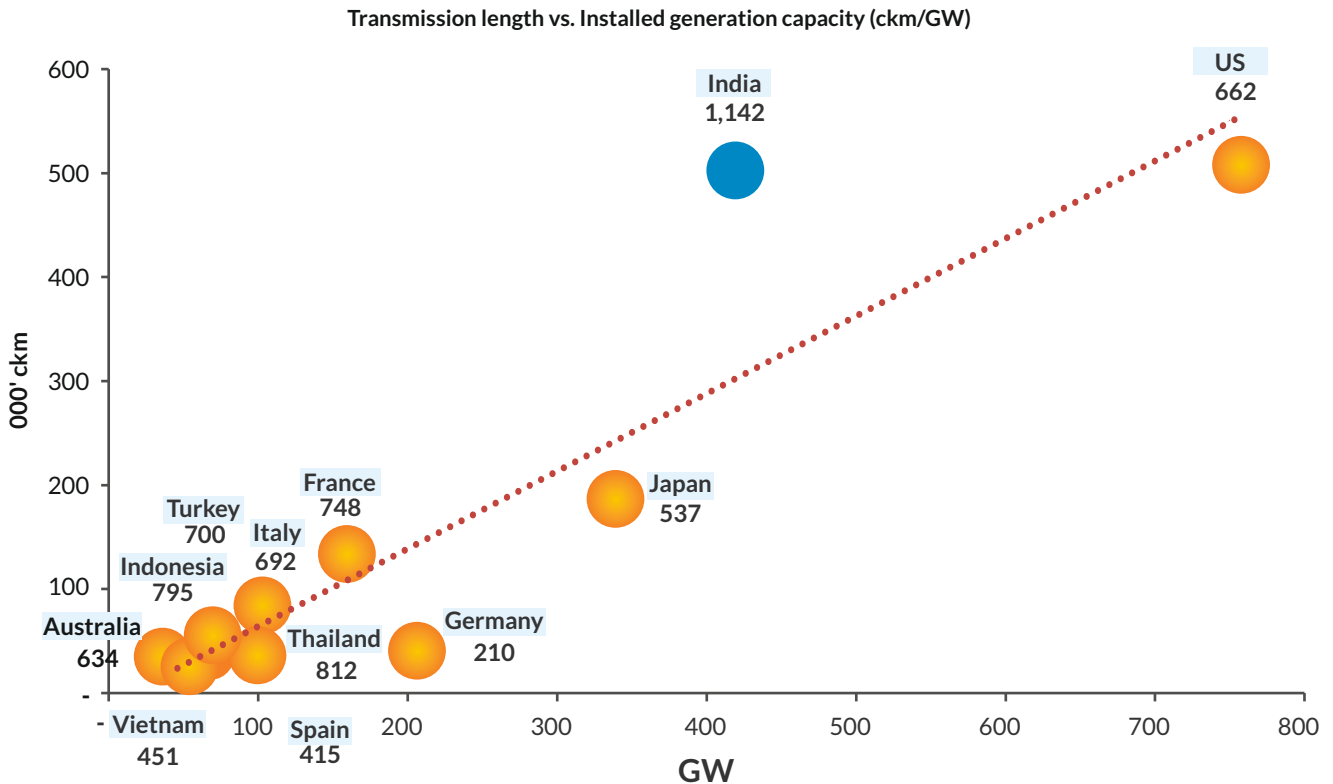
Subsequent Government Initiatives



Source: The green shift - The low carbon transition of India's Oil & Gas sector report by Ministry of Petroleum and Natural Gas, SBIMF research.

NEW ENERGY: INDIA CAN ATTAIN GLOBAL LEADERSHIP

India's Transmission length to GW of installed capacity (ckm/ GW) is higher than nearly all countries benchmarked



Source: BNEF, Ministry of Finance, Bernstein analysis

PRESENTING SBI ENERGY OPPORTUNITIES FUND

INVESTMENT UNIVERSE – THE ENERGY VALUE CHAIN



Oil Value chain: Upstream (Oil Exploration & Production), Integrated refining and marketing (Refineries & Marketing), Standalone refining (Refineries & Marketing), downstream petrochemicals (Chemicals & Petrochemicals companies) and base oil processors (companies engaging in activities such as exploration, production, distribution, transportation and processing of traditional & new energy), lubricants, oil field services (Oil Equipment & Services)



Gas Value Chain: Gas transmission (Gas Transmission/Marketing), LNG terminal (LPG/CNG/PNG/LNG Supplier), City gas distribution (LPG/CNG/PNG/LNG Supplier)



Power value chain: Coal producer (Coal), power generation, power transmission, power trading



Green Energy: Companies undergoing energy transition, Solar value chain, Wind power value chain, Hydrogen value chain, Battery value chain (companies making components of new energy), Bio energy value chain (companies involved in bio energy value chain), alternate fuel (companies making components of new energy)



Power Ancillaries: Energy EPC, Power T&D value, Heavy Electrical Equipment, Energy efficiency plays (manufacturing electrical equipment's for production, transmission & distribution of energy.)

The above-mentioned sectors, sub sectors are for illustrative purpose. The same may or may not form part of the index/portfolio at all points in time.

AN OPTIMAL MIX OF TRADITIONAL & NEW ENERGY & POWER UTILITY COMPANIES

TRADITIONAL ENERGY

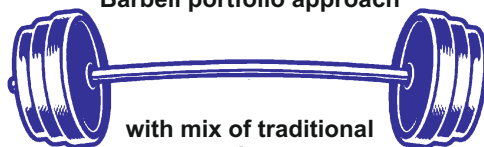
Usage of fossil fuel can reduce due to focus on Net zero. However, core investments may fall faster leading to rise in profitability

Stable and conducive policy environment to result in steady and predictable growth

Traditional energy business could gain global competitiveness in extant business due to availability of cheap green energy. Redeployment of cash flow from traditional energy business into green energy can further enhance value

Portfolio strategy:

Barbell portfolio approach



with mix of traditional energy and new energy

NEW ENERGY

Multi decade growth as share of renewable power in our energy mix will increase from 22% to 68% by FY50

India's competitiveness in green energy and additional support from government policy will ensure localization of entire value chain and thus the profit pool could become sizeable in long term

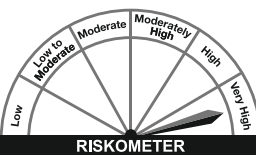

Positive economic and political externality plus global push could ensure steady policy support

Source SBIMF Research, The above is just for illustrative purposes, For complete details on Investment strategy, please refer Scheme Information Document.

FUND FACTS

Investment Objective	The investment objective of the scheme is to provide investors with opportunities for long term capital appreciation by investing in equity and equity related instruments of companies engaging in activities such as exploration, production, distribution, transportation and processing of traditional & new energy including but not limited to sectors such as oil & gas, utilities and power. However, there can be no assurance that the investment objective of the Scheme will be realized.
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 Managers	Mr. Raj Gandhi & Mr. Pradeep Kesavan (overseas securities)
Benchmark	Nifty Energy TR Index
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.

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<p>Scheme Riskmeter:</p>  <p>RISKOMETER 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 traditional & new energy sectors & allied business activities. <p>[^]Investors should consult their financial advisers if in doubt about whether the product is suitable for them.</p>	<p>First Tier Benchmark Riskmeter: Nifty Energy TR Index</p>  <p>RISKOMETER The benchmark riskometer is at Very High risk</p>
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