

TAKE ADVANTAGE OF INDIA'S MANUFACTURING GROWTH. INVEST NOW.



Wealth Creation
Solutions



Birla Sun Life

Manufacturing Equity Fund

(An Open ended Manufacturing Sector Scheme)

NFO Opens: January 13, 2015

NFO Closes: January 27, 2015



Birla Sun Life
Mutual Fund

Highlights

- Invests in companies engaged in manufacturing activity
- Diversified portfolio strategy
- Potential of higher wealth creation

Highlights do not indicate assurance of future scheme performance.

India is set to be the next manufacturing superpower with the government's focus now on the sector.

The government is aiming at a GDP contribution of 25% from manufacturing (Source: National Manufacturing Policy). With this, India is set to witness a manufacturing dream run. What will happen if this becomes a reality?

Investors should profit!

The Indian Manufacturing Story

Why invest in the Manufacturing Sector now?

7

reasons why manufacturing is the place to be for the Indian investor

1 Strong GDP growth rate

We expect the push by the government to stimulate the investment cycle which will drive a cyclical economic recovery with average GDP growth of 7% over the next 5 years.

2 Improving Domestic Macros

On the domestic front we have seen significant improvement in major macro parameters – inflation, interest rates, CAD, fiscal deficit and foreign currency reserves providing comfort to investors about the medium to long-term investment trend in Indian equities.

3 Election 2014 - The Game Changer

India's first majority government in 30 years has led to a surge in investor optimism and confidence over the future of India's economy and equity markets.

4 Thrust on Manufacturing

The Modi-led BJP government's priority is the revival of the manufacturing sector. As per the National Manufacturing Policy (NMP), it plans to ramp up the share of manufacturing in the country's GDP from 15% to 25% and create 100 million jobs by 2022 in the sector.

5 Easing interest rate environment

With interest rates expected to come down, manufacturing companies are likely to have a major leg up for profitability and growth.

6 Direct play on growth

Markets sense and factor growth ahead of time. As growth becomes visible on the ground level, the sector does better than all other major themes. This is because manufacturing is a direct play on growth whereas others derived themes on growth.

7 FII and FDI flows

India has received \$312 Billion in FDI flows over the past 10 years (FY2004-FY2014). India continues to enjoy a major share in fund flows and portfolio flows are expected to double in coming periods. Countries like U.S, China and Japan have committed \$180 Billion to India over the next 3 years.

Source: SEBI

Factors that will make Indian Manufacturing a reality



India to account for **25%** of the addition in the global working age population. India to add **~1 million** people every month to its working age population in the next decade.



Large **Local** and **export** opportunity across sectors.

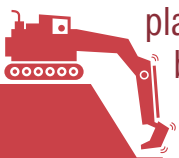


India's **low cost** of manufacturing compared to the rest of the world.



Newly elected majority government led by Narendra Modi is expected to lead policy changes, **large scale project approval** and **job creation**.

The government is intent on **fast tracking reforms, implementing key policies** to make India an easier place for doing business

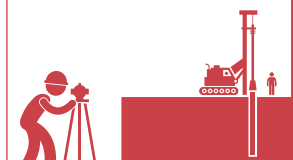


Source: Government of India

- Labour Reforms enabling flexibility & skill development
- GST Implementation likely by FY 2016 to boost trade & commerce
- Amendment of the Land Acquisition bill to fast track the process for acquiring land

- FDI in sectors like Defence, Insurance, Railways and Construction
- Focus on building 100 smart cities
- Coal block auctioning & coal output enhancement plan to reduce dependency on imports

- Single window & time-bound clearance system to reduce project delays
- Ease in environmental approval
- Self-attestation



The Indian Manufacturing Advantage

1 Low-cost labour force

India's manufacturing wages are among the lowest worldwide, averaging \$1.5 per hour.

2 Demographic dividend

Around 64% of India's population is expected to be in the age bracket of 15–59 years by 2025 making India a destination for English speaking, young, skilled and cost-efficient workforce.

3 Growing domestic market

India's consumer spending is set to grow 4x by 2020 making it a nation with rapid economic growth providing a large domestic market for manufacturers.

4 Free trade agreements

One of more than 10 free trade agreements India is signatory to, the ASEAN-India Free Trade Area provides companies access to one of the world's largest FTAs giving manufacturers an opportunity to reach out to other global markets.

5 Abundant Natural resources

India's vast reservoirs from coal to bauxite, gas to iron ore, have made it self-reliant in terms of resources needed to become a manufacturing powerhouse.

6 Favourable currency

The rupee's falling value against the dollar makes Indian exports increasingly competitive.

Advantage India

Natural resources. Fuel. Human capital. All forces are aligned to give India's manufacturing sector the boost it needs.



The world's 4th largest Coal reserves



5th largest Power Generation portfolio



800 MMT proven Oil reserves



47 Trillion cubic feet Natural Gas reserves



5th largest Iron Ore reserves



5th largest Wind Energy producer

Source: Govt. of India

Market cap of companies involved in Manufacturing has grown at a **CAGR 20.33%** over the past 10 years

Manufacturing companies contributed **₹ 1,90,739 crores** to the government's revenue by way of excise in 2014

Facts about India's Manufacturing sector

Total dividends declared in 2014 by companies involved in Manufacturing adds to **₹ 42,935 crores**

The revenues for the companies involved in Manufacturing stands at **₹ 34.9 Trillion in 2014** and has multiplied **7 times** in the last 11 years

Source: BSE

Birla Sun Life Manufacturing Equity Fund

An investment opportunity, with the potential to help you realise your goals of long-term returns. This is your chance to benefit from the Indian manufacturing story. Birla Sun Life Manufacturing Equity Fund aims to maintain a diversified portfolio with a universe covering a vast range of 22 sectors (As per NIC) focussed on manufacturing, with stocks that will be handpicked by the experts of a fund house having a legacy of over 20 years; known for its innovative products & services. In yet another industry first, "Birla Sun Life Manufacturing Equity Fund" is an open-ended fund focused to tap key potential of the Indian Manufacturing Story!

Some of the key sectors that the Birla Sun Life Manufacturing Equity Fund will invest in:

| | |
|---|---|
| 1 | Automobiles & Auto Ancillaries |
| 2 | Pharmaceuticals |
| 3 | Capital Goods |
| 4 | Consumer Goods |
| 5 | Cement |
| 6 | Metals |
| 7 | Railways |
| 8 | Defence |
| 9 | Textiles And many more. |

Leading the way in Indian Manufacturing

Automotive



100% FDI, cost-effective skilled labour, lower tax on assembly



Indian Auto ANCs **lead on quality** with cost advantage



India **preferred centre for small & mid-end car exports** by global brands

Source: IBEF, BSLAMC Research



Pharmaceutical

Indian companies have a **26% share** in the generic space in USA

22.5% CAGR: Combined sales of Indian companies in the past decade



20% global USFDA approved facilities in India – **highest outside USA**

3rd: Rank of Indian pharmaceutical industry in terms of volume

Source: Capital Line, USFDA

Our range of financial solutions

Savings

Regular Income

Tax Saving

Wealth Creation

Our Wealth Creation Solutions aim to grow your money through equity / gold investments and are available in a range of conservative to aggressive options.

The Financial Solution (Wealth Creation Solution) stated above is ONLY for highlighting the many advantages perceived from investments in Mutual Funds but does not in any manner, indicate or imply, either the quality of any particular Scheme or guarantee any specific performance/returns.

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Birla Sun Life
Mutual Fund

www.nfo.birlasunlife.com

Premium SMS charges apply.

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Birla Sun Life Manufacturing Equity Fund (An Open ended Manufacturing Sector Scheme)

This product is suitable for investors who are seeking*:

- long term capital growth
- investments in equity and equity related securities of companies engaged in manufacturing sector
- High Risk  **(BROWN)**

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

Note: Risk is represented as:

-  **(BLUE)** investors understand that their principal will be at low risk
-  **(YELLOW)** investors understand that their principal will be at medium risk
-  **(BROWN)** investors understand that their principal will be at high risk

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Mutual Fund: Birla Sun Life Mutual Fund. **Asset Management Company / Investment Manager:** Birla Sun Life Asset Management Company Ltd. CIN: U65991MH1994PLC080811. **Registered Office:** One Indiabulls Centre, Tower - 1, 17th Floor, Jupiter Mill Compound, 841, Senapati Bapat Marg, Elphinstone Road, Mumbai - 400013.

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