

UTI Sensex Index Fund

(An open-ended scheme replicating/tracking the S&P BSE Sensex Total Return Index (TRI))

This product is suitable for investors who are seeking*:

- Capital growth in tune with the index returns
- Passive investment in equity instruments comprised in S&P BSE Sensex Index

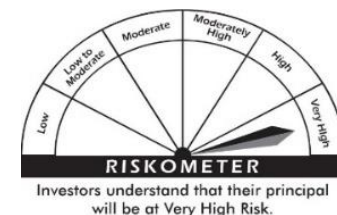
Investors should consult their financial advisers if in doubt about whether the product is suitable for them.

Product labelling assigned during the 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.

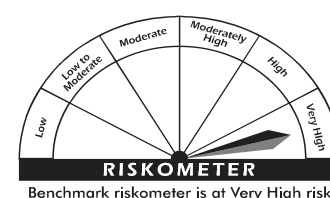
Based on the Index Composition as on December 31, 2021.

MUTUAL FUND INVESTMENTS ARE SUBJECT TO MARKET RISKS, READ ALL SCHEME RELATED DOCUMENT CAREFULLY.

Fund:
UTI Sensex Index Fund

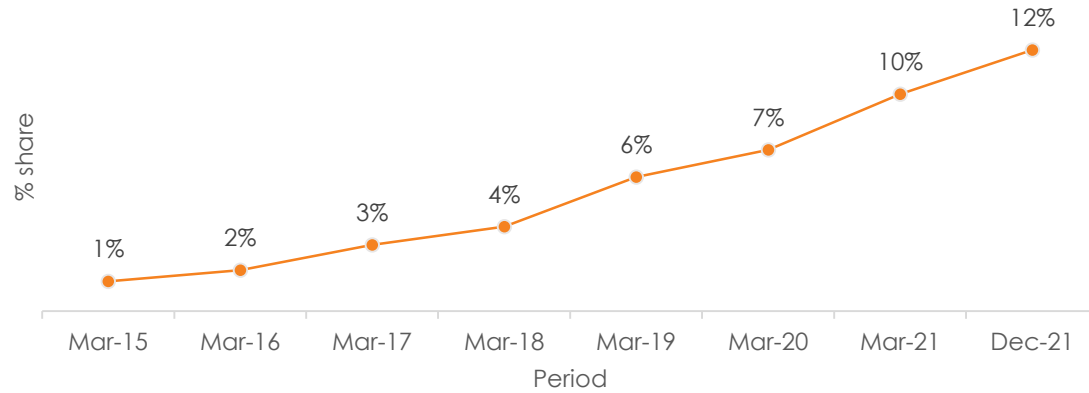


Benchmark:
S&P BSE Sensex#

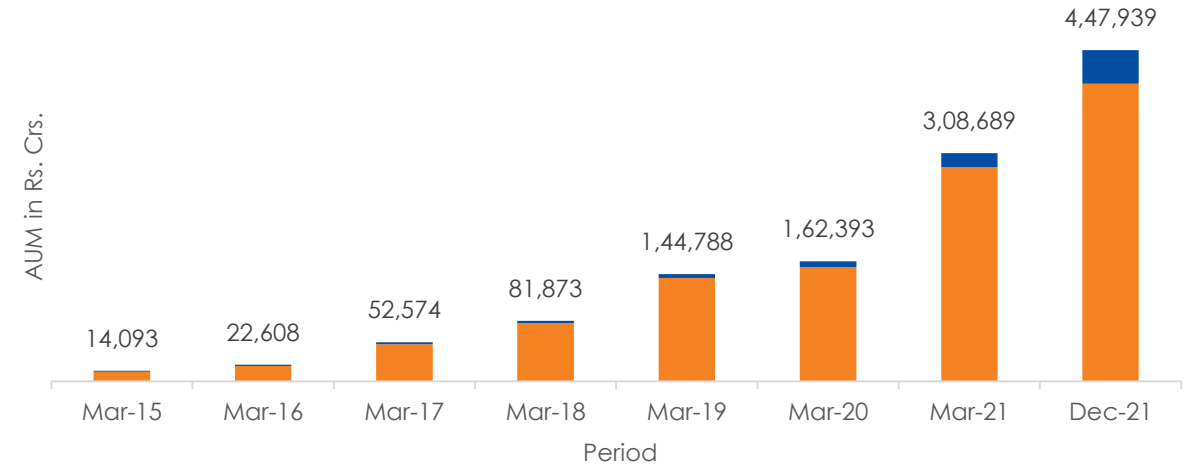


Growth of Equity Exchange Traded Funds and Index Funds in India

ETFs and Index Funds AUM as % of Total Industry AUM*



ETF and Index Fund AUM Growth



Major Growth Enablers

- Retirement Funds are mandated to invest at least 5% of annual accretion in Equities. Many of them have opted Equity ETFs/Index Funds for equity investment.
- Categorization and Rationalization of Mutual Fund Schemes by SEBI^{\$}
- Benchmarking of funds moved from Price Return Index (PRI) to Total Return Index (TRI).
- Challenges in generating alpha due to improving efficiency of equity market and reducing information asymmetry.

* Month End Asset Under Management (AUM). Source: MFI Explorer. \$ with reference to circular number SEBI/HO/IMD/DF3/CIR/P/2017/114 SEBI - Securities and Exchange Board of India. TRI refers to index values which also account for dividends, whereas in case of Price Return Index (PRI), dividends distributed by companies forming part of an index are not considered. Data as on Dec 31, 2021



Rule Based

An Index is a rule based portfolio where, stocks/companies are selected based on pre-defined rules without any individual's biases



Representation

Indices represents certain characteristics of a market segment, like market capitalization, sectors, themes, factors etc.



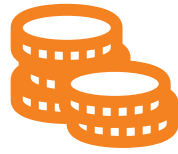
Indexing

Investing in a portfolio which is aligned to particular index. I.e. equity portfolio will hold same stocks and in same proportion as represented by an Index.



Easy to Understand

It reduces the process of selection vis-à-vis an individual stock/fund.



Low Cost

Normally, index funds and ETFs are available at lower cost than actively managed funds.



Low Risk

Helps in reducing un-systematic risk and rewards for taking systematic risk.



Zero Sum Game

Positive alpha* of one market participant has to come from negative alpha of another market participant



Market is efficient

Movement in prices are based on new information and indices reflects the collective interpretation by the various market participants



No Biases

Elimination of individual's biases & subjective opinion while picking stocks/funds

* Alpha is difference between returns generated by a scheme and its benchmark. When a scheme generate more returns as compared to its benchmark is called positive alpha. When scheme generate less returns as compared to its benchmark, is called negative alpha.

S&P Indices versus Active Fund (SPIVA) India Scorecard

- SPIVA India scorecard compares the performance of actively managed Indian mutual funds with their respective benchmark indices over 1, 3, 5, and 10 year period.
- The comparison is done in a scientific way considering survivorship bias correction, style consistency, apple-to-apple comparison, asset weighted returns etc.
- This semi-annual report is called as SPIVA scorecard.
- Extract from the Mid- Year 2021 Report:

Report 1a: Percentage of Funds Outperformed by the Index (Based on Absolute Return)

FUND CATEGORY	COMPARISON INDEX	1-YEAR (%)	3-YEAR (%)	5-YEAR (%)	10-YEAR (%)
Indian Equity Large-Cap	S&P BSE 100	86.21	86.67	82.72	65.93
Indian ELSS	S&P BSE 200	53.66	76.19	76.19	48.57
Indian Equity Mid-/Small-Cap	S&P BSE 400 MidSmallCap Index	57.14	48.65	69.57	40.30
Indian Government Bond	S&P BSE India Government Bond Index	70.83	51.85	71.43	86.00
Indian Composite Bond	S&P BSE India Bond Index	50.00	97.90	97.87	100.00

Source: S&P Dow Jones Indices LLC, Morningstar, and Association of Mutual Funds in India. Data as of June 30, 2021. Returns are shown in INR. Past performance is no guarantee of future results. Table is provided for illustrative purposes.

Mutual Fund Products for Index Investment

- Exchange Traded Funds (ETFs) and Index Funds, both can be used for Investing in an Index under Mutual Fund route.
- Both are very similar from fund management perspective.
- Major Differences:

Features	ETFs	Index Funds
Net Asset Value (NAV)	Real Time	End of the day
Liquidity Provider [@]	Authorised Participants (APs) on stock exchange + Fund itself	Only by Fund
Portfolio Disclosure	Daily	Monthly
Intraday Trading	Possible if investor has required inventory of units	Not possible
Cost effectiveness	Each investor bears their own transaction cost	Transaction costs are spread across the fund
Holding format	Compulsory in Demat form	Physical + Demat
Investment decision	Controlled by investor as investor can suggest the price/NAV at which they want to transact	Not applicable

[@] - In case of ETFs the Scheme offers units for subscription / redemption directly with the Mutual Fund in multiple of creation unit size to Authorized Participants / Large Investors only. Investor can buy/sell ETF units in cash segment on secondary market of exchanges where it is listed in multiple of 1 unit. AMC may appoint APs for providing liquidity on exchanges. Please read scheme related documents for "creation unit size"

Investor can get in touch with AMC or IFA/RIA/Distributor/MFD etc., to buy/sell Index Fund similar to transacting in traditional open-ended mutual fund scheme

Index Fund units can be held in digital or dematerialized form. In case of digital holding, investor can get statement of account from AMC or its Registrar and Transfer Agent.

Index Fund Fund House



Additionally ETFs can be bought/sold through Asset Management Companies (AMCs) in multiple of creation unit size.

About 'S&P BSE Sensex' Index[@]

Parameter

Details

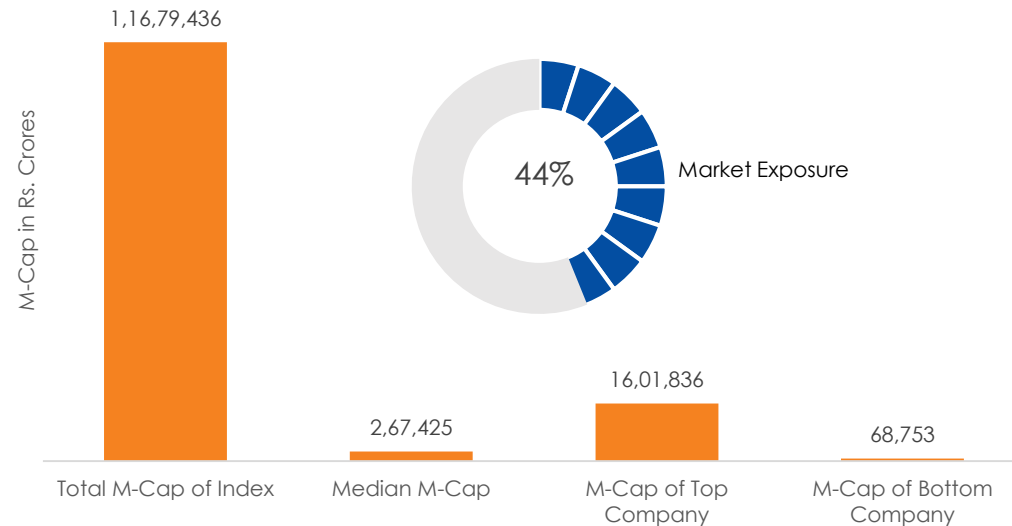
Broad Selection Criteria*

Top 30 companies by float - adjusted market capitalization (M-Cap)

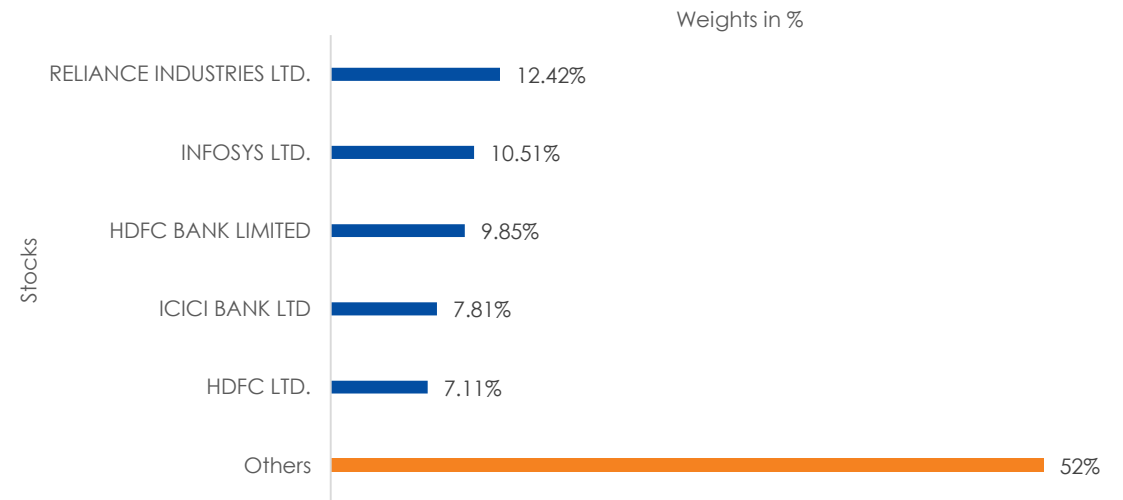
Number of constituents

30

Market Capitalization and Exposure^{\$}

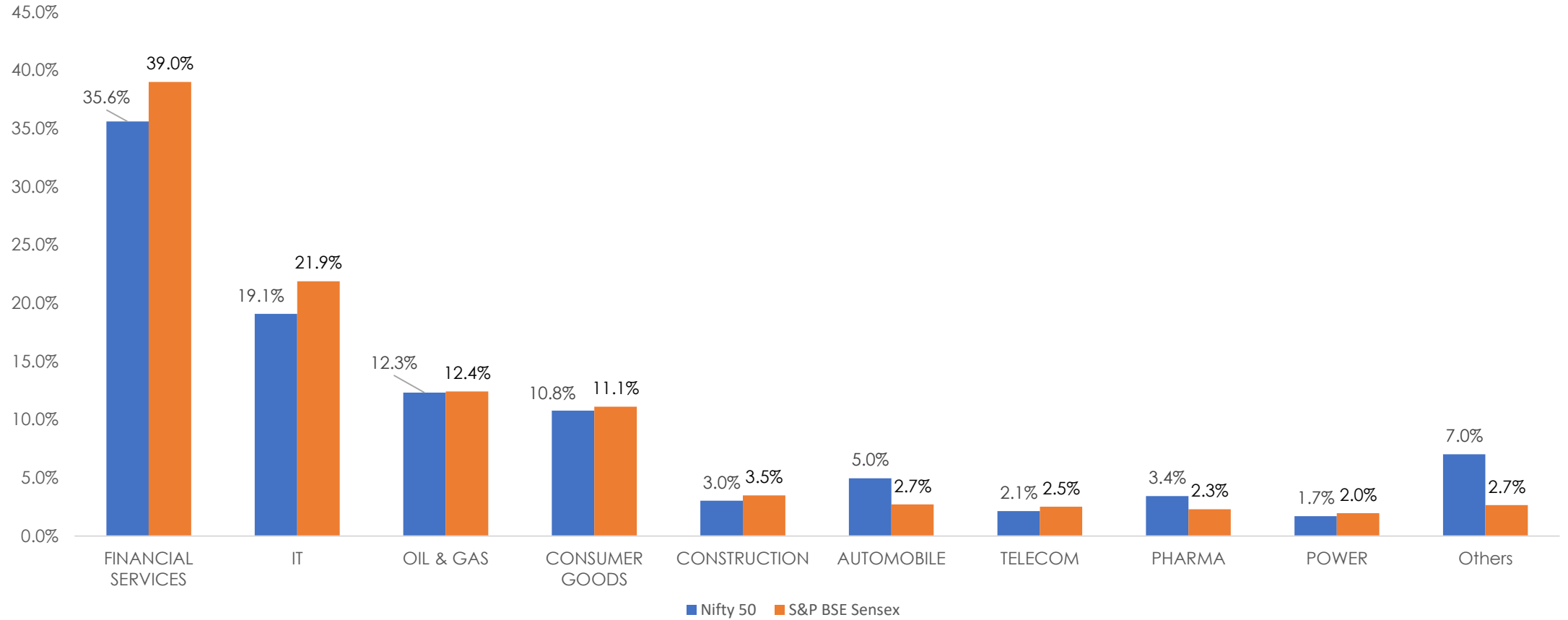


Top 5 Stocks[#]



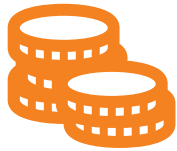
Data as on December 31, 2021. [@]S&P BSE Sensex is an index product of Asia Indices Limited. Source: www.asiaindex.co.in, Bloomberg. * Subject to other selection criteria defined under index construction methodology. ^{\$} Data based on Total Market Capitalization of companies. % Market Exposure = Total Market Cap of Index / Market cap of all listed companies in BSE. [#] The Stocks referred in this literature are 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 name of companies are only for reference purpose.

S&P BSE Sensex Index Comparison – Broad Sector Exposure



Data as on December 31, 2021. Source : NSE, BSE, Bloomberg. # The sectors referred in this literature are not an endorsement by the Mutual Fund and AMC of their soundness or a recommendation to buy or sell at any point of time. The sectors are only for reference purpose.

Why Invest in S&P BSE Sensex Index?



It measures the performance of 30 large and liquid companies across key sectors[@]



It captures 45%[#] of total market capitalization of all listed companies.



It is less volatile as compared to Mid and Small cap indices

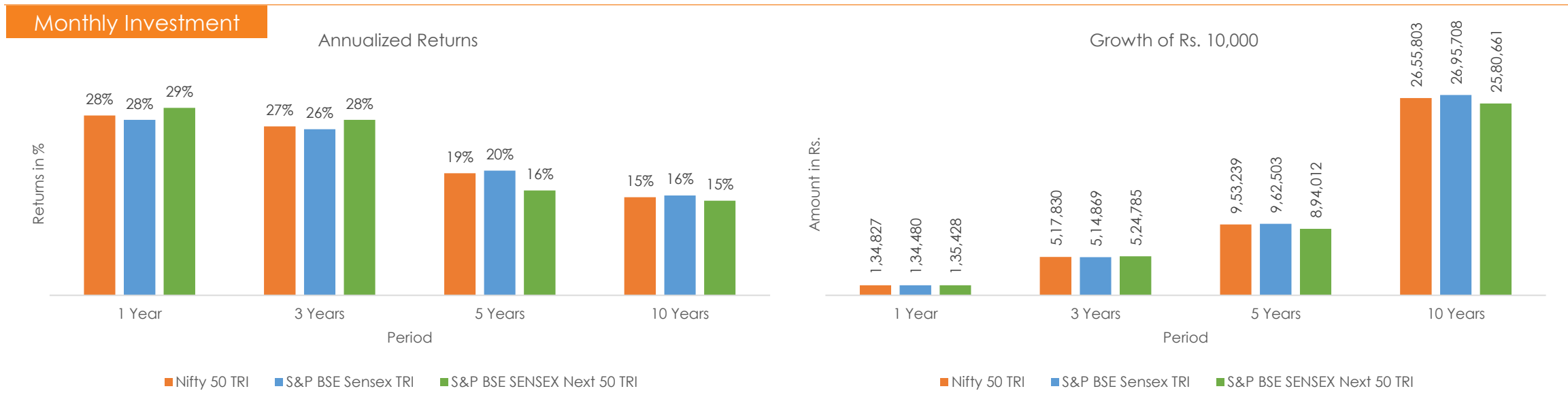


Investing in well diversified portfolio across multiple sectors of 30 stocks. ^{\$}



To be a participant of investing in the long-term India growth story by investing in well diversified and most liquid portfolio of Large – Cap companies.

S&P BSE Sensex Index Comparison – Returns



Data as on December 31, 2021. TRI i.e. 'Total Return Index consider dividend issued by companies forming part of Index. Source: MFI Explorer. Returns are calculated considering last working day of the month. Returns over one year are of compounded annualized growth rate (CAGR). In case of monthly investment, we have assumed Rs.10,000 invested at month end closing price of total return index. Monthly return is calculated considering RATE() function in MsExcel. Such monthly return is annualized. Investors cannot invest directly into an index. However, they can expect similar returns as per index movement in ETF or Index Fund, subject to tracking error and cost. Returns over one year are of compounded annualized growth rate (CAGR).

About UTI Sensex Index Fund

Investment Objective

The investment objective of the scheme is to provide returns that, before expenses, closely correspond to the total returns 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 Universe

The investment universe of the fund will be the constituents of S&P BSE Sensex Index.

Investment Strategy

The scheme is a low-cost index Fund which tracks the S&P BSE Sensex Index passively. The scheme endeavors to achieve return equivalent to underlying index while minimizing tracking error.

Performance

The scheme will endeavor to replicate the performance of S&P BSE Sensex TRI



Type of scheme

An Open-ended scheme replicating/tracking S&P BSE Sensex Index



Plans & Options

Regular Plan and Direct Plan – Both Plan offers Growth Option Only



Entry and Exit Load*

NIL



Minimum Application Amount

Minimum initial investment is Rs. 5,000/- and in multiples of Rs. 1/- thereafter.

Subsequent minimum investment under a folio is Rs.1,000/- and in multiples of Rs. 1/- thereafter with no upper limit.



Market Cap Exposure*

Large Cap – 100%
Mid Cap – Nil
Small Cap - Nil

* As on December 31, 2021

- UTI AMC has an experience of over 2 decades in managing passive funds. It is also a leading investment manager (in terms of AUM) in the Index Fund/ETF category.
- UTI AMC with its existing bouquet of Index Fund/ETFs has maintained an excellent Track record of managing tracking error as one of the lowest in the industry[§].
- UTI Sensex Index Fund will offer exposure to diversified portfolio of 30 largest, most liquid and financially sound companies across key sectors of the Indian economy
- UTI Sensex Index Fund will aim to offer an opportunity to capitalise on growth of basket of blue-chip companies' in a disciplined manner.
- The Fund is suitable for investors looking for simple yet cost effective way of investing in 'Top 30' companies on the listed universe of BSE

[§] As on December 31, 2021

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