

## SBI QUANT FUND

**INVESTMENTS SIGNIFICANTLY  
BACKED BY DATA  
TO MANAGE BIASES**

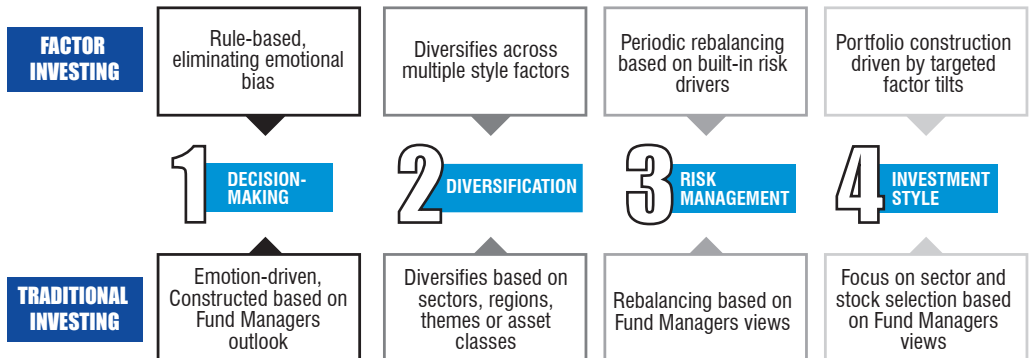
### NFO Period:

4<sup>th</sup> Dec. 2024 to 18<sup>th</sup> Dec. 2024

## WHAT IS QUANT FUND

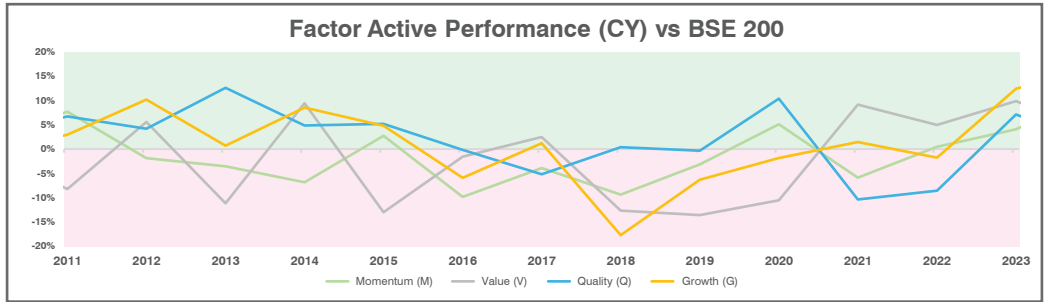
A Quant Fund uses a data-driven approach to identify investment opportunities based on predefined factors like momentum, quality, value, and growth. It follows a disciplined, unbiased process to navigate market conditions, offering a systematic and reliable strategy for long-term wealth creation.

## HOW IS FACTOR INVESTING DIFFERENT FROM TRADITIONAL INVESTING





## HOW HAVE FACTORS PERFORMED OVER TIME



	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Rank 1	M	G	Q	V	Q	Q	V	Q	Q	Q	V	V	G
Rank 2	Q	V	G	G	G	V	G	M	M	M	G	M	V
Rank 3	G	Q	M	Q	M	G	M	V	G	G	M	G	Q
Rank 4	V	M	V	M	V	M	Q	G	V	V	Q	Q	M

It can be seen that how relying on a single factor can be risky due to cyclical nature of markets, as no single factor consistently outperforms across all periods. A diversified multi-factor approach can help mitigate underperformance during unfavorable market conditions for a particular factor.  
**Source:** SBIFML Research, data as on Jan 2011 to Dec 2023



## WHY MULTI FACTOR PORTFOLIO



- **Cyclical Nature of Factors:** Individual factors tend to perform in different market cycles, leading to periods of outperformance and under performance.
- **Multi-Factor Diversification:** Combining multiple factors provides diversification, helping to smooth out the volatility of individual factor performance.
- **Enhanced Risk-Adjusted Returns:** A multi-factor approach aims to deliver better risk-adjusted returns by balancing the strengths and weaknesses of different factors.
- **Reduced Drawdowns:** Diversifying across factors can help in mitigating large drawdowns during market downturns.
- **Investment Ease:** Multi-factor strategies simplify investing by integrating various factors, reducing the need for managing separate allocations



## THE SBI MULTI - FACTOR MODEL

### Momentum

- Near & Long-Term Price Performance
- 52 Week Highs

### Value

- Ratios like Trailing & Forward Valuations, Dividend Yield, EV/Sales



### Growth

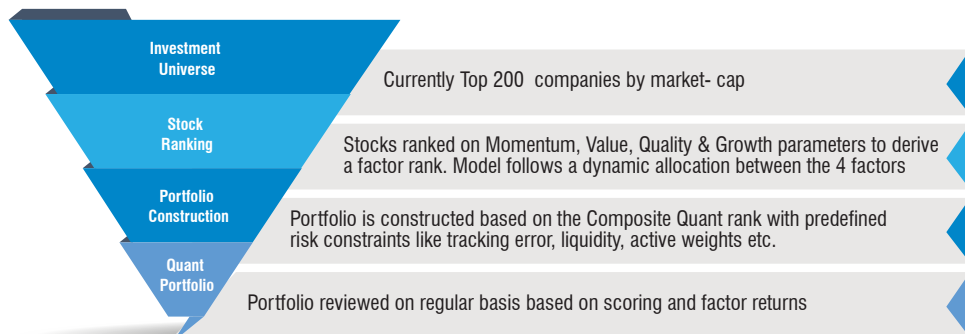
- Earnings Growth,
- Earnings Revisions,
- Upgrades & Downgrades

### Quality

- Ratios like ROE, Leverage
- Consistence in Earnings

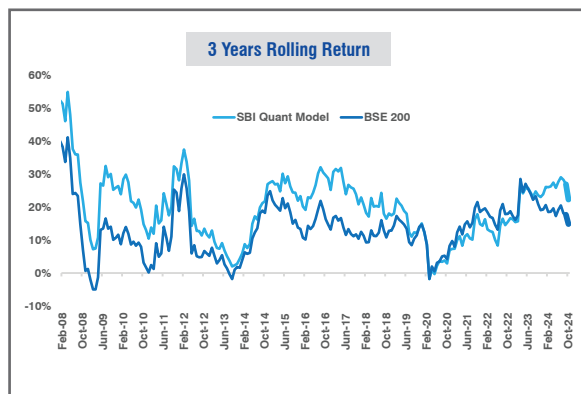
The above listed parameters is an indicative list and the model may use additional parameters within each factor. Further, the above framework is currently adopted by the Scheme and is subject to change in accordance with the provisions of the SID & depending on the market conditions.

## THE SBI MULTI - FACTOR MODEL (CONT.)



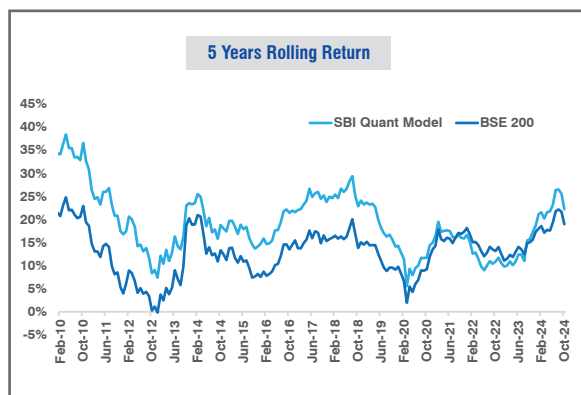
## SBI QUANT FUND - BACK - TESTING RESULTS

SBI Multi-Factor Model: The below graphs illustrate the consistency of returns of the model over the long-term period.



RETURN RANGE	SBI MULTI FACTOR MODEL	BSE 200
NEGATIVE	1.0	3.5
0% TO 8%	10.9	20.3
8% TO 12%	10.9	17.3
12% TO 15%	10.4	19.3
ABOVE 15%	66.8	39.6

	SBI MULTI FACTOR MODEL	BSE 200
MIN (%)	-1.9	-5.0
MAX (%)	55.0	41.2
AVERAGE (%)	19.8	13.5



RETURN RANGE	SBI MULTI FACTOR MODEL	BSE 200
NEGATIVE	0.0	0.6
0% TO 8%	1.7	15.7
8% TO 12%	15.2	20.2
12% TO 15%	13.5	27.0
ABOVE 15%	69.7	36.5

	SBI MULTI FACTOR MODEL	BSE 200
MIN (%)	5.6	-0.2
MAX (%)	38.4	24.8
AVERAGE (%)	19.1	13.0



**Source:** SBIFML Research. SBI Quant model performance is post fees and expenses of 2.5% p.a. Past performance may or may not sustain in future. All information contained above is for illustration purpose only to show how quant models function. The back tested result does not in any way indicate the performance of the Scheme. Data is from 1st Jan 2005 to 31st Oct 2024. Rolling Return Analysis is based on monthly observations.

## SBI QUANT FUND: FUND FACTS

Scheme Name	SBI Quant Fund
Type of Scheme	An open-ended equity scheme following Quant based investing theme
Investment Objective	The scheme shall seek to generate long term capital appreciation by investing in equity and equity related instruments selected based on quant model theme.  However, there is no assurance that the investment objective of the scheme will be achieved.
NFO Dates	4th Dec 2024 - 18th Dec 2024
Benchmark	BSE 200 TRI
Fund Manager	Ms. Sukanya Ghosh  Mr. Pradeep Kesavan is the dedicated fund manager for overseas securities
Plans / Options	Direct & Regular Plans  (with Growth, Income Distribution cum capital withdrawal (IDCW) Payout, Transfer & Reinvestment Option)
Minimum Investment Amount	Rs. 5000/- and in multiples of Re. 1 thereafter
Additional Purchase	Rs. 1000/- and in multiples of Re. 1 thereafter

## QUANT FUND

An open-ended equity scheme following quant-based investing theme

This product is suitable for investors who are seeking ^:	Riskometer	Benchmark Riskometer: BSE 200 TRI
<ul style="list-style-type: none"><li>Long term Capital appreciation</li><li>Investment in equity and equity related instruments selected based on Quant model.</li></ul>	 Investors understand that their principal will be at Very High risk	 The benchmark riskometer is at Very High risk
<small>^Investors should consult their financial advisers if in doubt about whether the product is suitable for them.</small>		

### Disclaimer:

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