

Canara Robeco India Opportunities
(A Close Ended Equity Scheme)

NFO Opens on: 14th November, 2014 | NFO Closes on: 28th November, 2014

This product is suitable for investors who are seeking*

- Capital appreciation over long term
- A close ended equity fund that aims to provide capital appreciation by investing predominantly in equity and equity related instruments of mid cap companies
- High Risk

HIGH RISK
(BROWN)

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

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

About the scheme

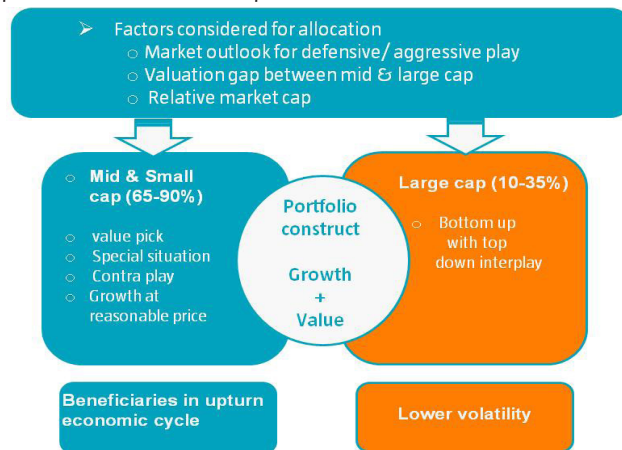
The scheme focuses on high conviction stocks by following the growth at reasonable price investing philosophy.

Aims to:

- Participate in the all-round growth of the Indian economy
- Provides fund manager the ability to take longer term exposure.
- Offer better focus on investment positions since inflows and outflows are clearly defined and portfolio maybe run undisturbed with active fund management.
- Facilitate adequate holding period time to the security position and hence a 3 year horizon would be beneficial.

Investment Strategy

Portfolio to be skewed towards high potential mid & small cap stocks



Indicative themes that can be part of the investment approach



The fund will follow a **bottom-up** investment methodology combined with **top-down** overlay. Sector selection will be **based on opportunities** available in sectors

Why Midcap?

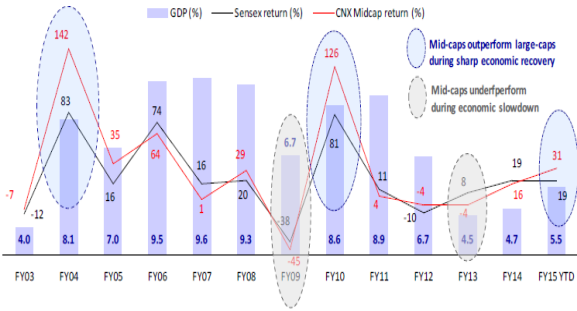
Rationale

- **Small Base/Challengers** - The companies which operate in this space have immense growth potential as they are operating on a smaller base; eg - Housing Finance Cos, NBFC's
- **New Businesses/Sunrise sectors** - These are companies present in sunrise sectors which provide tremendous growth opportunities; eg - E-Commerce, Logistics
- **Niche Businesses** - A small player in a big Industry but with a niche for itself, market leader in that category; eg - Rating Agencies
- **Trade at Discount** - These companies usually trade at a discount to their large cap counter parts

What it takes to become a Leader...

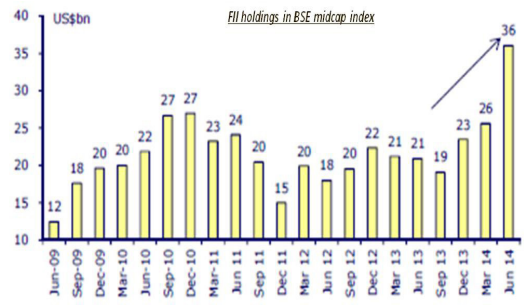
- **Sustainable competitive advantages allow firms to add value and continue doing so over long periods**
- **Distinctive Capabilities** – are those relationships that a firm has with its customers, suppliers or employees, which cannot be replicated by other competing firms, they are
 - **Brands & reputation** – A product can be quickly get outdated, but a successful brand is timeless
 - **Innovation** – is also the most tenuous source of sustainable competitive advantage
 - **Architecture** – refers to the network of contracts, formal & informal, that a firm has with its employees, suppliers and customers
- **Strategic Assets** – are easier to identify as source of competitive advantages, they can be like Intellectual property, Licenses and Regulatory permissions, access to natural resources, natural monopolies and so on

Midcaps tend to do better during economic recovery



Source : Bloomberg, Motilal Oswal Research

FII's holdings in midcap segment increasing



Source : CLSA, Bloomberg, ACE Equity

India Opportunities - Going ahead

Macro environment favoring domestic equities

✓ **Robust prospects for Indian equities over next 3-5 years**

- GDP growth has bottomed out. The Q1FY15 GDP growth of 5.7% is highest in past nine quarters
- Corporate earnings upgrade on its way up as the revenue growth is expected to accelerate
- India's current account deficit of 1.7 in Q1FY15 is within comfort zone and INR has stabilized
- CPI Inflation decelerates to 6.5% in September 2014 and is on track with RBI's target
- Modi led Government – fuelling hopes of structural overhaul

✓ **US on path of strong recovery while Japan and Europe to continue loose monetary policy :**

The U.S. economy has shown signs of recovery which could boost overall demand and is seen as positive for Indian market. While the ECB and the BOJ are likely to maintain ultra-loose monetary policies through 2015 which will ensure high liquidity and incremental allocation of foreign funds to India.

✓ **India stands out among other emerging markets making the environment more conducive for sustainable inflow of foreign funds into Indian market.**

Source : Bloomberg

Economic Indicators now and then					Macro environment favoring domestic equities	
	October 2014	January 2014	August 2013	Impact		
GDP Growth (Q-o-Q)	5.7% QAFY15	4.5% Q3FY14	4.7% Q1FY14	POSITIVE		
WPI	2.38%	5.05%	6.10%	POSITIVE		
CPI	6.5%	8.79%	9.52%	POSITIVE		
INR/USD	61.34	62.66	65.71	POSITIVE		
Forex Reserve (\$ bn)	312.7	276.26	275.49	POSITIVE		
CAD/GDP (%)	1.7 1FY15	0.30 Q3FY14	4.8 Q1FY14	POSITIVE		
Trade Balance / GDP (%)	7.3 Q1FY15	6.8Q3FY14	11.1 Q1FY14	NEUTRAL		
Brent Crude oil (\$/barrel)	84.71	106.48	111.04	BIG POSITIVE		

Source: Bloomberg

Scheme Features & Investment objective

Investment Objective	To generate capital appreciation by investing predominantly in equity and equity related instruments of mid cap companies. However, there is no assurance or guarantee that the investment objective of the Scheme will be achieved. The Scheme does not assure or guarantee any returns.
Entry Load	Nil.
Exit Load	Nil. No Exit Load is applicable during the term of the Scheme since no redemption is permitted with the AMC / Mutual Fund before maturity of the Scheme, being a close ended Scheme. However, the Units of the Scheme are listed on the National Stock Exchange of India Ltd. (NSE). Investors wishing to exit may do so through the Stock Exchange route as per rules specified by the Stock Exchange(s).
Scheme Type	Close Ended Equity Scheme
Asset Allocation Pattern of the Scheme	Mid- and Small Cap Equity and Equity Related Instruments 65-90% Large Cap Equity and Equity Related Instruments 10- 35% Micro Cap Equity and Equity Related Instruments 0-5% Debt and Money Market Instruments 0-25%
Tenure	3 years from the date of allotment
Benchmark Index	CNX Midcap
Minimum Inv. Amount	Rs. 5,000.00 and multiples of Rs.10.00 thereafter during New Fund Offer.
NFO Price	Rs. 10 per unit
Investment Plans/Options	Regular & Direct Plan: Growth & Dividend Payout
Fund Manager	Mr. Ravi Gopalakrishnan

Disclaimer :

The information used towards formulating the outlook have been obtained from sources published by third parties. While such publications are believed to be reliable, however, neither the AMC, its officers, the trustees, the Fund nor any of their affiliates or representatives assume any responsibility for the accuracy of such information. CRMF, its sponsors, its trustees, CRAMC, its employees, officer, directors, etc assume no financial liability whatsoever to the user of this document. Mutual Fund Investments are subject to market risk. Investors are requested to read the Scheme related documents carefully before investing.

NSE Disclaimer :

As required, a copy of this SID has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter NSE/LIST/244596-V dated July 11, 2014 permission to the Mutual Fund to use the Exchange's name in this SID as one of the stock exchanges on which the Mutual Fund's units are proposed to be listed subject to the Mutual Fund fulfilling the various criteria for listing. The Exchange has scrutinized this SID for its limited internal purpose of deciding on the matter of granting the aforesaid permission to the Mutual Fund. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the SID has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this SID; nor does it warrant that the Mutual Fund's units will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of the Mutual Fund, its sponsors, its management or any scheme of the Mutual Fund. Every person who desires to apply for or otherwise acquire any units of the Mutual Fund may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

Mutual Fund Investments are subject to market risk, read all Scheme related documents carefully.