

# —Sundaram— Select Micro Cap Series VI

42 Months Closed-End Equity Scheme



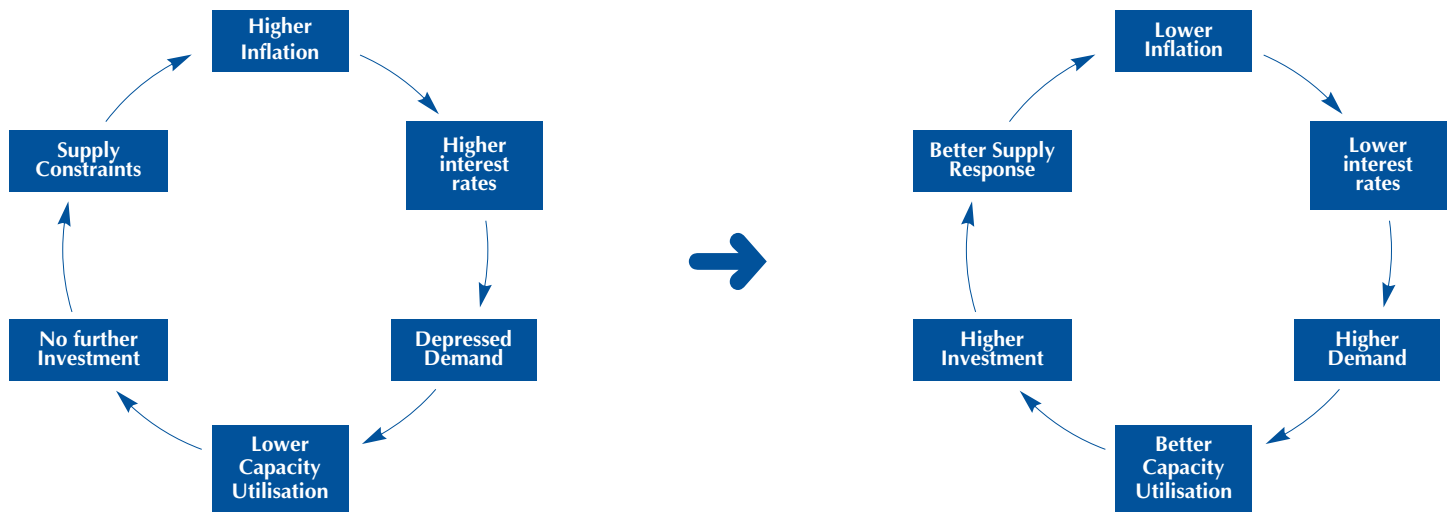
**SUNDARAM MUTUAL**  
UNEARTHING OPPORTUNITIES

This product is suitable for investors who are seeking\*

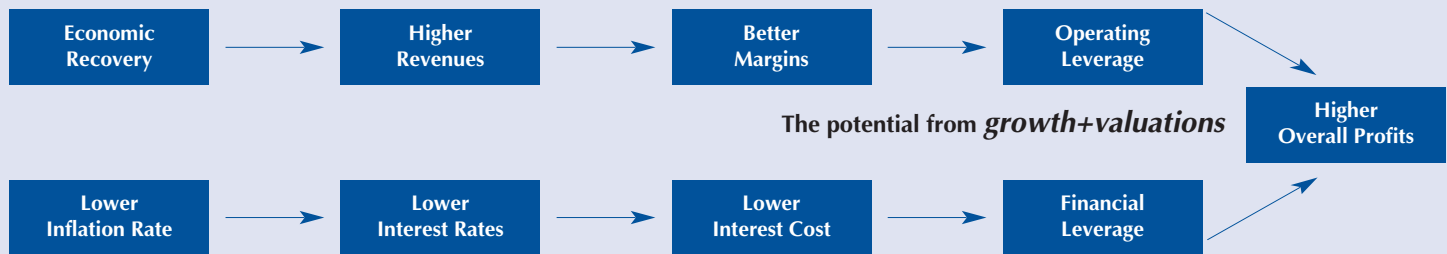
- Long Term Capital Growth
- Investment predominantly in equity / equity-related instruments of companies that can be termed as micro-caps
- High Risk Brown

**NFO Opens: September 10, 2014**  
**NFO Closes: September 24, 2014**

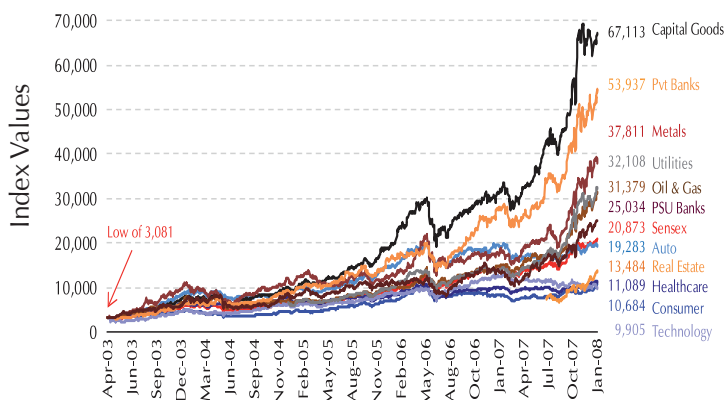
## India is moving from a vicious to a virtuous economic cycle



## Hence, cyclical stocks are poised to benefit

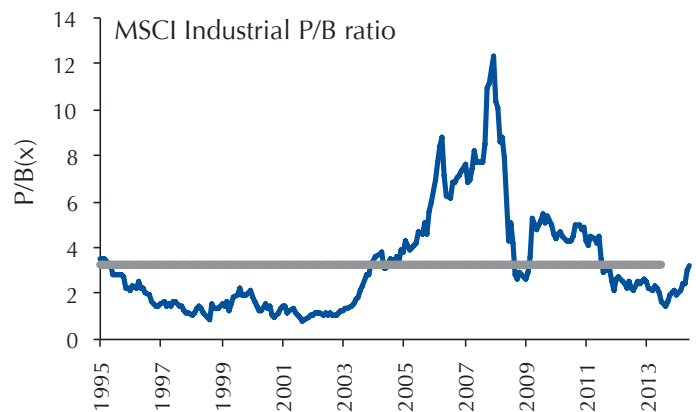


### Cyclicals STRONGLY Outperform During GROWTH UPCYCLES



Source : Motilal Oswal, Sundaram Asset Management

### Cyclical Valuations Near Lifetime Lows



Source : Morgan Stanley, Sundaram Asset Management

\*Investors should consult their financial advisers if in doubt about whether the product is suitable for them  
Note: Risk may be 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

Toll Free 1800 103 7237 (India) +91 44 49057300 (NRI) • SMS SFUND to 56767 • E-mail customerservices@sundarammutual.com. (NRI): nriseservices@sundarammutual.com

Sundaram Asset Management

www.sundarammutual.com

# —Sundaram— Select Micro Cap Series VI

42 Months Closed-End Equity Scheme



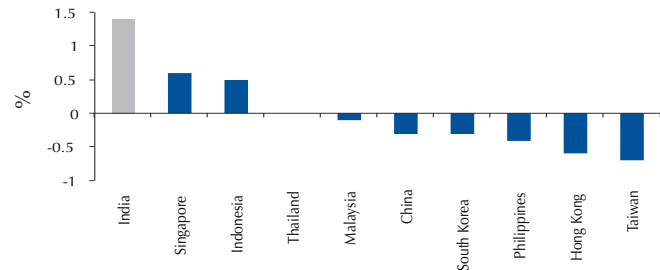
**SUNDARAM MUTUAL**  
UNEARTHING OPPORTUNITIES

## Growth boost from strong NDA mandate

- Cabinet clears 49% FDI in Insurance, Defence & Railway Infrastructure
- Centre push seen for key labour reforms
- Union budget gives direction to reform process and exhibits clear intent
  - Thrust on states through a higher budgetary allocation
  - Encouraging REITs & Infra ITs
  - Easier infrastructure financing norms
  - Modernise mid-tier cities, metros, and Ganga cleaning
  - Agriculture infrastructure boost
  - Tax cuts at the mid-income levels would improve consumption
  - Investment incentives would lead to a revival in manufacturing

Source : Indiabudget.nic.in

## Growth boost from exports

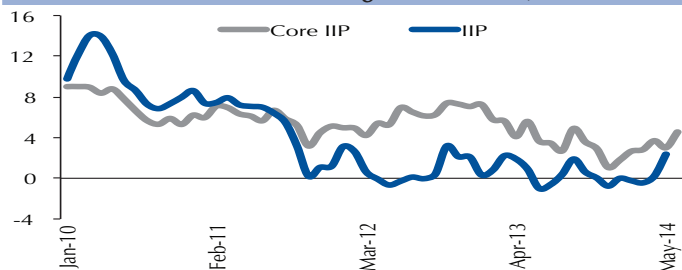


- India is ranked #1 among Asian peers when evaluated on key parameters such as Industry mix, Competitive mix and Interactive mix
- INR is depreciated against USD by more than 25% since FY 12 from an average rate of Rs.48 to Rs.60
- The largest increase to the global labour force would come from India (65 million between 2014 to 2023)

Source : Credit Suisse, Goldman Sachs, Sundaram Asset Management

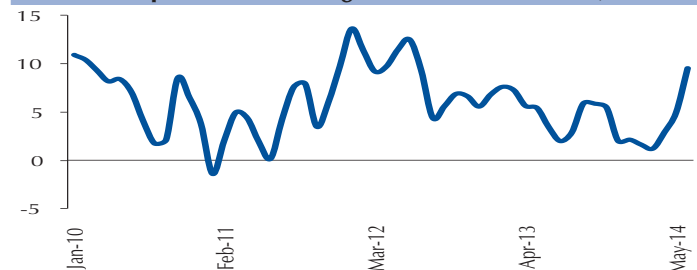
## Growth begins its return journey

### IP & Core IP bottoming out (% YoY QMA)



Source: CMIE, Sundaram Asset Management; QMA: Quarterly Moving Average IIP: Index of Industrial Production.

### Cement production seeing momentum (% YoY QMA)



## Micro Caps, which display cyclical bias, are poised to benefit from growth as well as valuation

### Case Studies

	Sales		PAT		ROE		Stock Returns	
	FY03-08	FY08-14	FY03-08	FY08-14	FY08	FY14	FY03-08	FY08-14
Ramco Cements	26.3	10.6	97.5	-18.1	42.7	5.0	66.5	8.4
Crompton Greaves	33.7	11.8	75.4	-8.4	31.1	6.5	121.0	-0.9
Thermax	36.6	6.7	42.5	-3.3	37.8	11.5	100.3	3.3
SKF India	30.9	6.4	52.0	2.1	29.4	14.2	61.3	23.9
Hindustan Zinc	40.8	9.5	96.8	6.1	36.1	16.3	121.9	17.5

Source: Bloomberg; Growth in % based on CAGR; Computation: in-house

### Significant buying opportunity

Small caps are trading at a significant discount to large caps

#### Across Cap Curve

	S&P BSE Sensex	S&P BSE Small Cap
*Price Earning Ratio	16.2	11.8
Discount vs S&P BSE Sensex		27%

The Small Cap Index is trading at a 43% discount from its historical high in January 2008

#### Across Time

	January 2008	July 2014
	20.6	11.8

\*Based on Forward PE Ratio FY 15

Source: Bloomberg; Data as of July 2014; Research: In-house.

**Disclaimer:** Copies of the Statement of Additional Information, Scheme Information Document and application form with Key Information Memorandum may be obtained from the offices / Investor Service Centres of Sundaram Mutual or its authorized distributors or downloaded from www.sundarammutual.com. **Past performance is no guarantee of future result.** **General Risk Factors:** There can be no assurance or guarantee that fund's objectives will be achieved. NAV may go up or down, depending on the factors and forces affecting the securities market. Main types are market risk, liquidity risk, credit risk and systemic risks. At times, liquidity of investments may be impaired. There is uncertainty of dividend distribution and risk of capital loss. Investors in the schemes are not being offered any guaranteed or indicated returns. **Fund Facts:** Minimum Investment amount - ₹ 5,000/- & in multiples of ₹ 10 thereafter. **Fund Manager:** S. Krishna Kumar (Equity) & Dwijendra Srivastava (Fixed Income); **Benchmark:** S&P BSE Small Cap Index. **Plans:** Regular & Direct. **Options:** Growth & Dividend Payout. **Load:** Entry Load - Not Applicable; Exit load - Nil. **General Disclaimer:** This document is issued by Sundaram Asset Management, an Investment Manager registered with the Securities and Exchange Board of India in India and is produced for information purposes only. It is not a prospectus or Offer Document or Scheme Information Document or an offer or solicitation to buy any securities or other investment. Information and opinion contained in this document are published for the assistance of the recipient only; they are not to be relied upon as authoritative or taken as a substitution for exercise of judgment by any recipient. They are subject to change without any notice and not intended to provide the sole basis of any evaluation of the instrument discussed or offer to buy. It is neither a solicitation to sell nor shall it form the basis of or be relied upon in connection with any contract or commitment whatsoever or be taken as investment advice. The information and opinions contained in this communication have been obtained from sources that Sundaram Asset Management believes to be reliable; no representation or warranty, express or implied, is made that such information is accurate or complete and it should not be relied upon as such. Sundaram Asset Management neither guarantees its accuracy and/or completeness nor does it guarantee to update the information from time to time. By accepting this document you agree to be bound by the foregoing limitations. This communication is for general information only without regard to specific objectives, financial situations and needs of any particular person who may receive it and Sundaram Asset Management is not soliciting any action based on this document. Sundaram Asset Management in the discharge of its functions, may use any of the data presented in this document for its decision-making purpose and is not bound to disclose the same. For scheme specific risk factors, asset allocation, load structure, fund facts and taxation aspects please refer the Statement of Additional Information and Scheme Information Document available online and at branches/Investor Service Centres. **Statutory: Mutual Fund:** Sundaram Mutual Fund is a trust under Indian Trusts Act, 1882. Liability for sponsor is limited to ₹ 1 lakh. **Sponsor:** Sundaram Finance Ltd. **Investment Manager:** Sundaram Asset Management Company Ltd. **Trustee:** Sundaram Trustee Company Ltd.

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

Contact your investment advisor or call: Toll Free 1800 103 7237 (India) +91 44 49057300 (NRI)

SMS SFUND to 56767 • E-mail customerservices@sundarammutual.com. (NRI): nriservices@sundarammutual.com

Sundaram Asset Management

www.sundarammutual.com