

—Sundaram—  
**Select Micro Cap Series IX**  
 A 5 year closed-end equity scheme



**SUNDARAM MUTUAL**  
 UNEARTHING OPPORTUNITIES

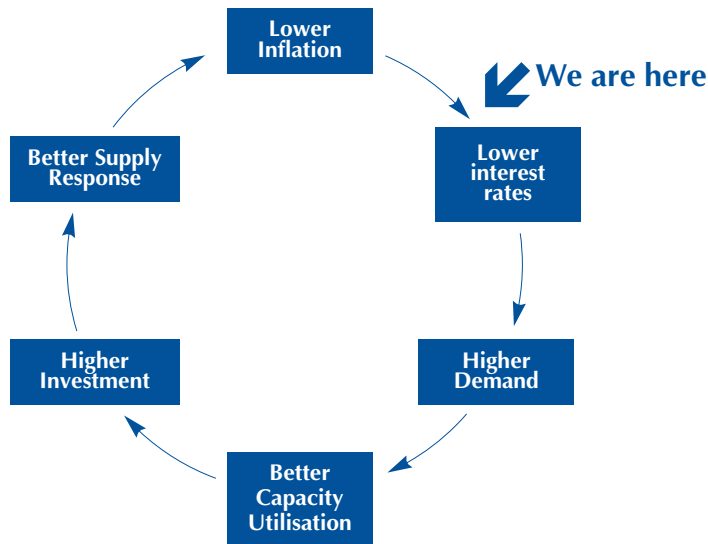
**NFO Opens: October 16, 2015**

**NFO Closes: October 30, 2015**

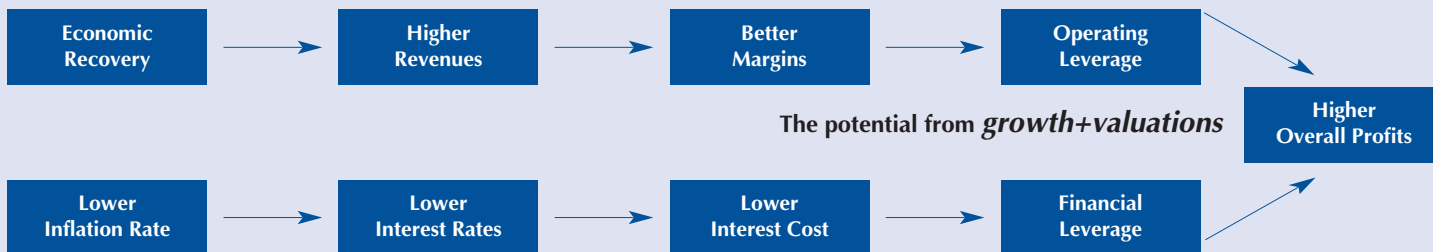
**India-macro momentum is strong**

	FY14	FY16E
GDP growth (%)	6.6	7.5
CPI Inflation (%)	10.0	5.0
CAD (% of GDP)	1.7	0.8
Deficit (% of GDP)	4.4	3.9
10-year yield (%)*	8.6	7.6
Currency rank *	20/24	4/24

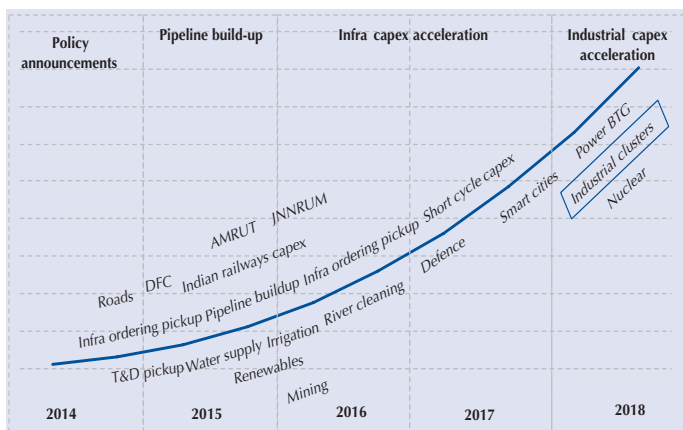
*Note: The currency rank and ten year yield relates to Sep.'13 and Sep.'15  
 Source : Bloomberg*



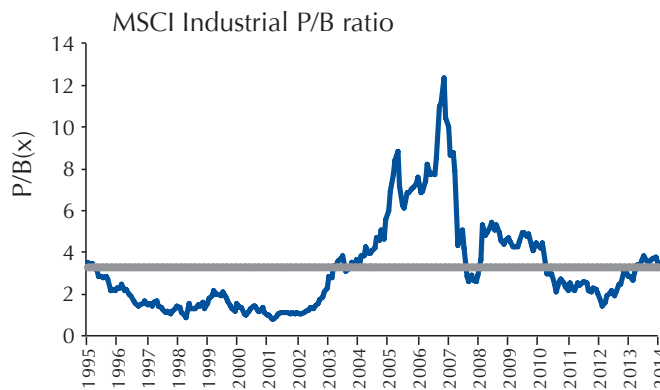
**Hence, cyclical stocks are poised to benefit**



**Pro-cyclical Government led push**



**Cyclical Valuations Near Lifetime Lows**

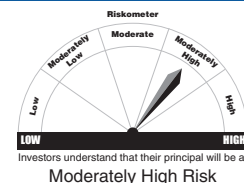


Source : Morgan Stanley,, Sundaram Asset Management

**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.

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



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](http://www.sundarammutual.com)

# —Sundaram— Select Micro Cap Series IX

A 5 year closed-end equity scheme



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## Major Capex spends - Big boost to economy

### Defence

- Next five years to see ₹ 6.6 tr. of defence procurement
- ₹ 1.2tr. Defence manufacturing opportunity over the next decade

### Railway

- 2015-19 set to see a ₹ 9.2 tr. Capex plan, at 7% of GDP
- One unit increase in rail output increases that of other sectors by 5X

### Roadways

- Project award target of 10,000kms for the year
- Budgetary allocation more than doubled

### Coal and renewables

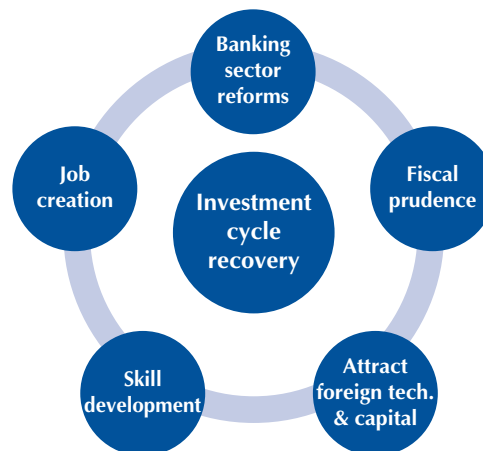
- Transparent Coal mine auctions, coal plant linkages, another SEB restructuring and T&D capex focus
- 100GW solar and 60GW wind power targets by 2022

### Higher improvement to Urban infrastructure through

- Smart city roll outs, industrial corridors, better water supply and higher pollution control and safety norms

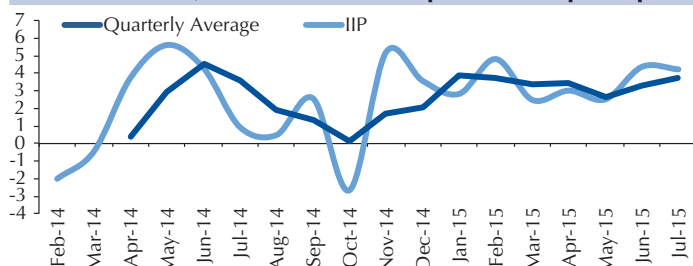
Source : GOI; News Reports; Indian Railways; NHAI; Coal India

## Government efforts are bringing about a paradigm structural change



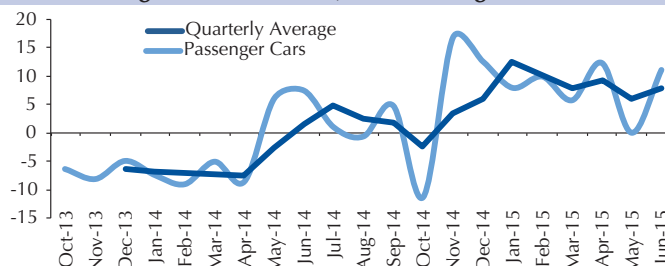
## Growth begins its return journey

### IIP (%YoY QMA) IP and Core IP poised for a pick up



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

### Passenger cars (%YoY QMA) - Seeing momentum



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

### Case Studies

Micro Caps				Similar business in large cap			
Stock Name	Price as on		Return (%)	Stock Name	Price as on		Return (%)
	30-Apr-14	31-Aug-15			30-Apr-14	31-Aug-15	
SML Isuzu	353.3	1161.0	229	Tata Motors	410.3	340.1	-17
Mahindra CIE	112.4	287.3	156	Motherson Sumi	169.1	303.5	79
BEML	387.5	1296.9	235	Larsen & Toubro	1294.1	1602.9	24
Nagarjuna Cons	30.7	71.7	133	Reliance Industries	935.8	855.9	-9
SRF	388.0	1178.3	204	Ambuja Cement	197.7	207.2	5
Ramco Cement	216.6	324.9	50				

The stocks shown in the table does not represent indicative portfolio of the scheme and is provided only for illustrative purposes. Source: Bloomberg; Growth in %; Returns are calculated on an absolute basis; Computation: 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](http://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 & Dwijendra Srivastava; **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.

### Significant buying opportunity

Small caps are trading at a significant discount to large caps

#### Across Cap Curve

	CNX Nifty	CNX Small Cap
*Price Earning Ratio	19.0	14.0
Discount vs CNX Nifty		26%

\*Based on Trailing PE Ratio FY 15

Source: Bloomberg; Data as of August 2015; Research: In-house.

**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](mailto:customerservices@sundarammutual.com). (NRI): [nriservices@sundarammutual.com](mailto:nriservices@sundarammutual.com)

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