

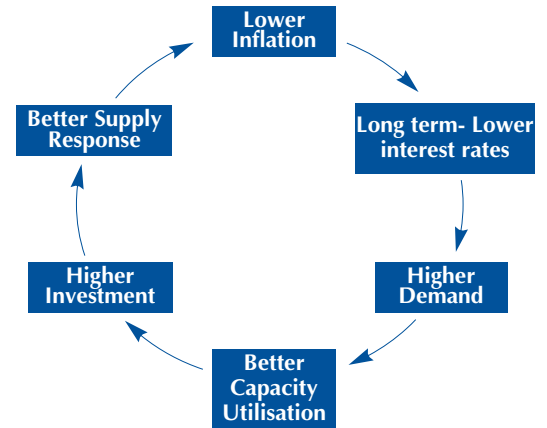
NFO Opens: June 05, 2017

NFO Closes: June 19, 2017

Why Small caps now?

- The shift to a digital economy combined with the roll out of GST will pave the way for a sustained period of economic growth.
- The shift from the unorganised to the organised sector due to GST will disproportionately favour small companies.
- Continuing structural change to the economy will herald the arrival of new industries i.e. Healthcare Logistics, Hospitality etc., which most likely will be by small cap companies

We have moved closer to a virtuous economic cycle...



Why Small Caps

Interest rates over the next 2 years most likely to trend down which will be favorable to Small cap companies



List of past multi baggers[#]

Stock Name	Entry Price (Rs)	Selling Price (Rs)	CMP (Rs)	Return (x)
V Guard	12	170	182	13.4
Amara Raja	75	980	840	12.1
Hitachi Home	137	1421	1909	9.4
SRF	219	1614	1620	6.4
Fag Bearings	595	4052	4549	5.8

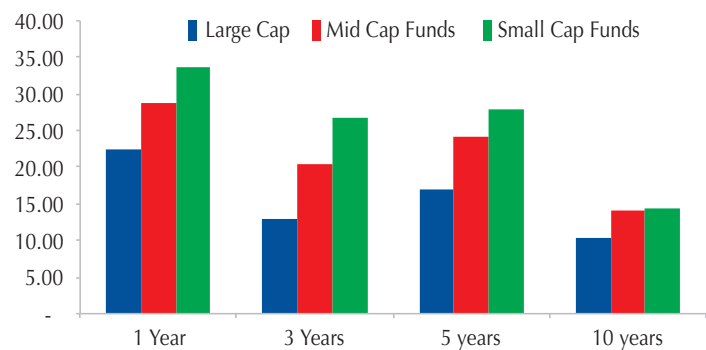
These stocks have been part of our portfolios across various schemes

Notes -

1. Returns calculated on absolute basis (times "x").
2. We still hold some of the above stocks. The sales reflect partial profit booking.
3. Names have been taken across schemes

Source: Inhouse Computation

Small cap funds have outperformed over various time periods



These are the category averages of Large, Mid and Small cap funds

Data as of May 25th 2017

Source: Value Research

Sundaram Select Small Cap Series V

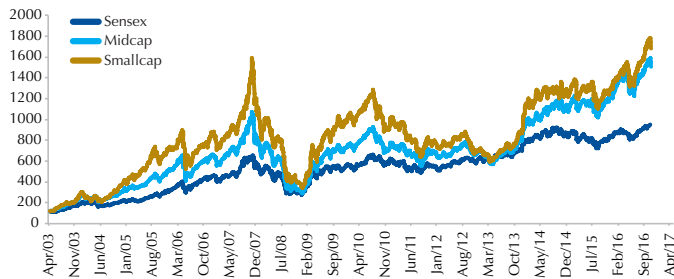
4 years Close Ended Equity Scheme



SUNDARAM MUTUAL
UNEARTHING OPPORTUNITIES

Performance across market cycles, across market cap curves

BSE Mid-cap and Small-cap movement against the Sensex



	Phase 1			Phase 2			Phase 3		
	Apr'03	Jan'08	Return (%)	Jan'08	Oct'13	Return (%)	Oct'13	May'17	Return (%)
BSE Sensex	3,168	20,873	559	20,873	21,165	1	21,165	30,571	41
BSE Mid Cap	950	9,817	933	9,817	6,107	-38	6,107	14,467	137
BSE Small Cap	885	13,516	1,427	13,516	5,896	-56	5,896	15,054	155

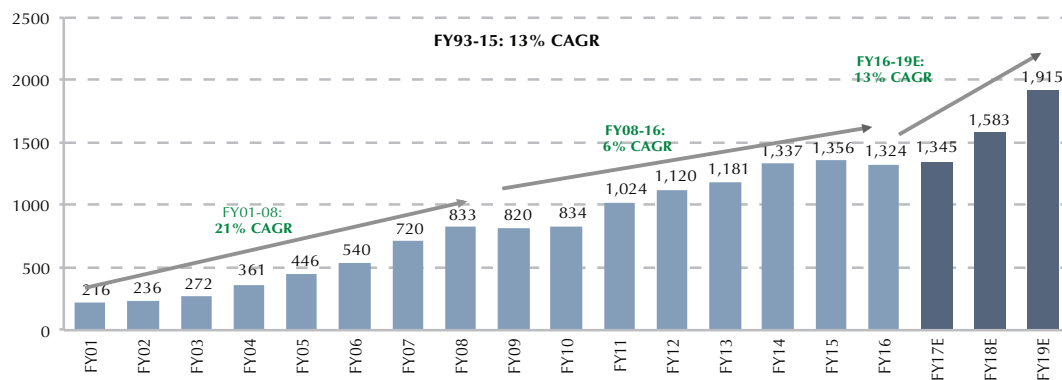
Data as on May 22, 2017, Returns are calculated on absolute basis
Source: Bloomberg; Sundaram Asset Management

Many Mega Caps have started as Small caps

- As a rapidly developing economy, opportunities abound for entrepreneurs
- Market typically small initially and not meaningful for larger players
- Over time, these businesses achieve scale and witness: Profit expansion; Price discovery happens as they enter the radar of Institutional investors.
- In the last economic upturn between FY '03 and FY '08 :
 - large caps appreciated by 559%, mid caps by 933% and small caps by 1427%
- During the current bull market (from Oct '14 to Feb '17) the numbers are 44%, 137% and 155% respectively.
- Potential for further appreciation from current levels.

Markets to deliver double digit earnings growth

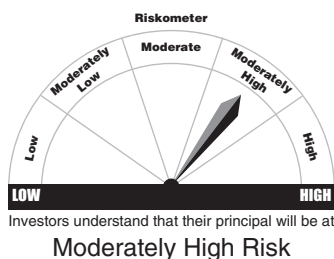
Sensex EPS growth trend



Source : Bloomberg, Sundaram Asset Management

Scheme Summary

- A four year close-ended Equity Scheme
- A 40-45 stock diversified portfolio of growth oriented reasonably valued small caps.
- Small caps are defined as companies ranked between 101 and 300 by market capitalisation on the NSE (sorting the stocks by market cap in descending order)
- Benchmark** - S&P BSE Small Cap Index
- Fund Manager** - S Krishnakumar



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 small-caps.

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

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

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