

MAHINDRA  
**UNNATI**  
EMERGING  
BUSINESS  
**YOJANA**

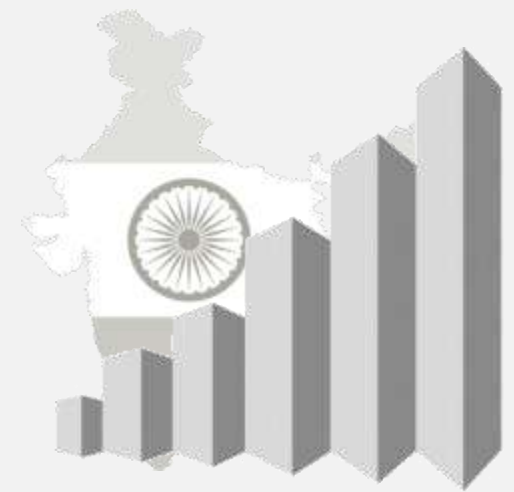
Mid Cap Fund- An open ended  
equity scheme predominantly  
investing in mid cap stocks

**Samay se Aagey**

**NFO Opens on : January 8, 2018**  
**NFO Closes on: January 22, 2018**  
**Offer opens for continuous sale and  
repurchase from: February 6, 2018**



# INDIA – THEN AND NOW



# INDIA'S GDP GROWTH



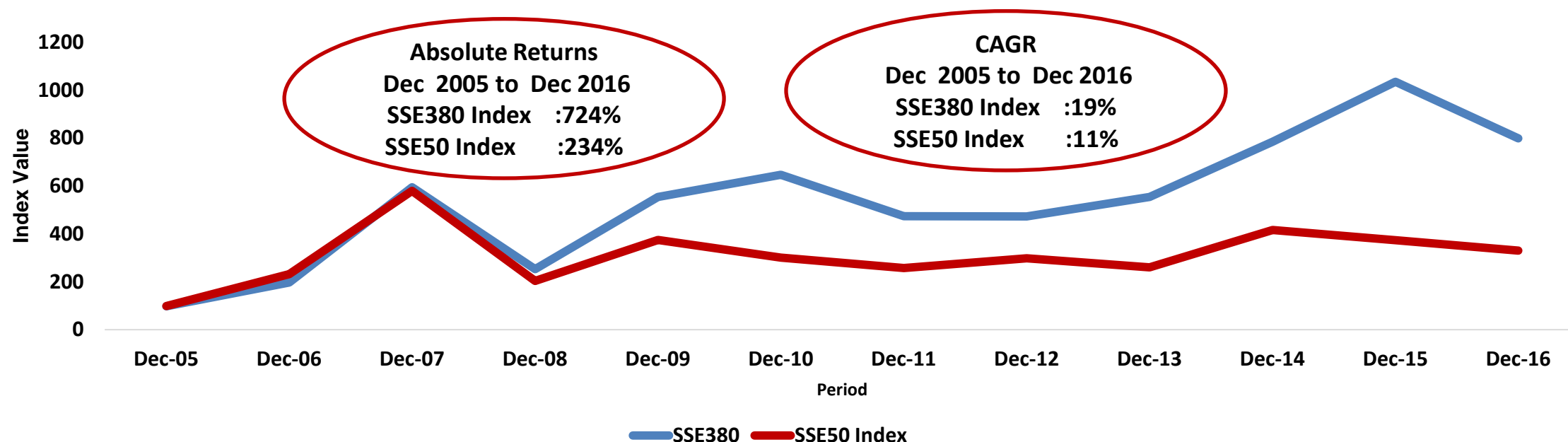
SOURCE: WWW.TRADINGECONOMICS.COM | WORLD BANK

# MID CAPS – TREND ANALYSIS



# CHINA - A CASE STUDY FOR MID CAP OUTPERFORMANCE

- In the following case study of Chinese Stock Markets, the mid cap index (SSE380 Index) has outperformed the large cap index (SSE50 Index) over a period of 12 years

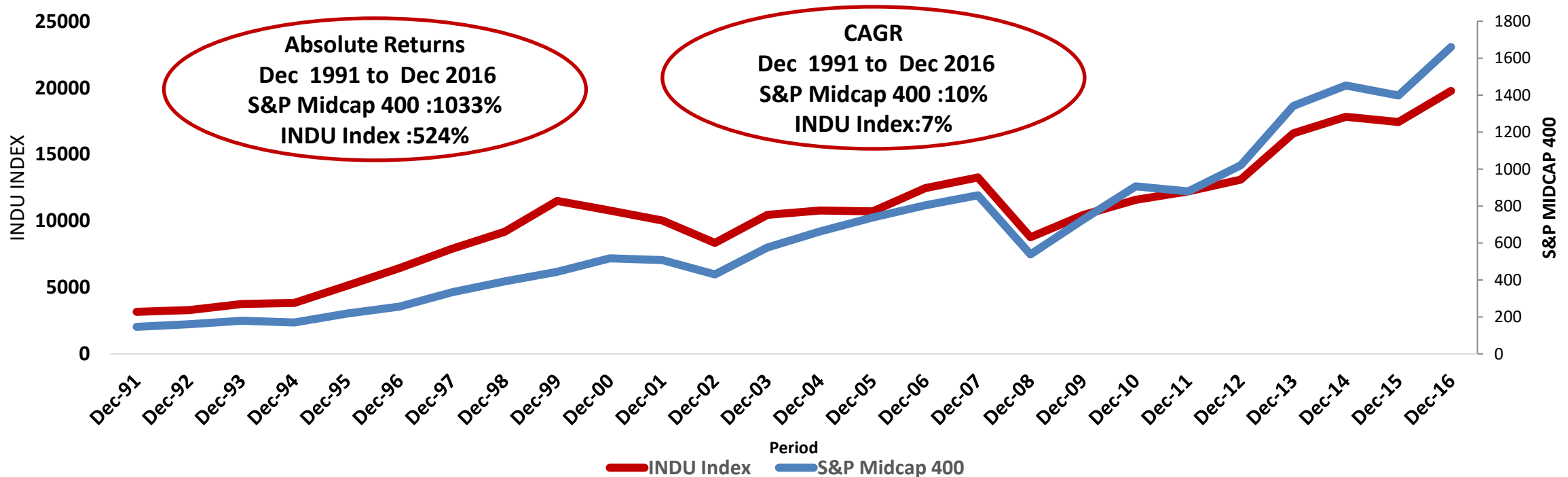


*For Comparable purpose the indices are converted in \$ term , calendar year end returns shown above are for 31st Dec of each year. The data provided above is for illustrative purpose only. Past performance may or may not be sustained in future; Above line charts are actual index movements. CAGR – Compounded Annual Growth Rate*



# MID CAPS HAVE PERFORMED BETTER IN DEVELOPED ECONOMIES TOO

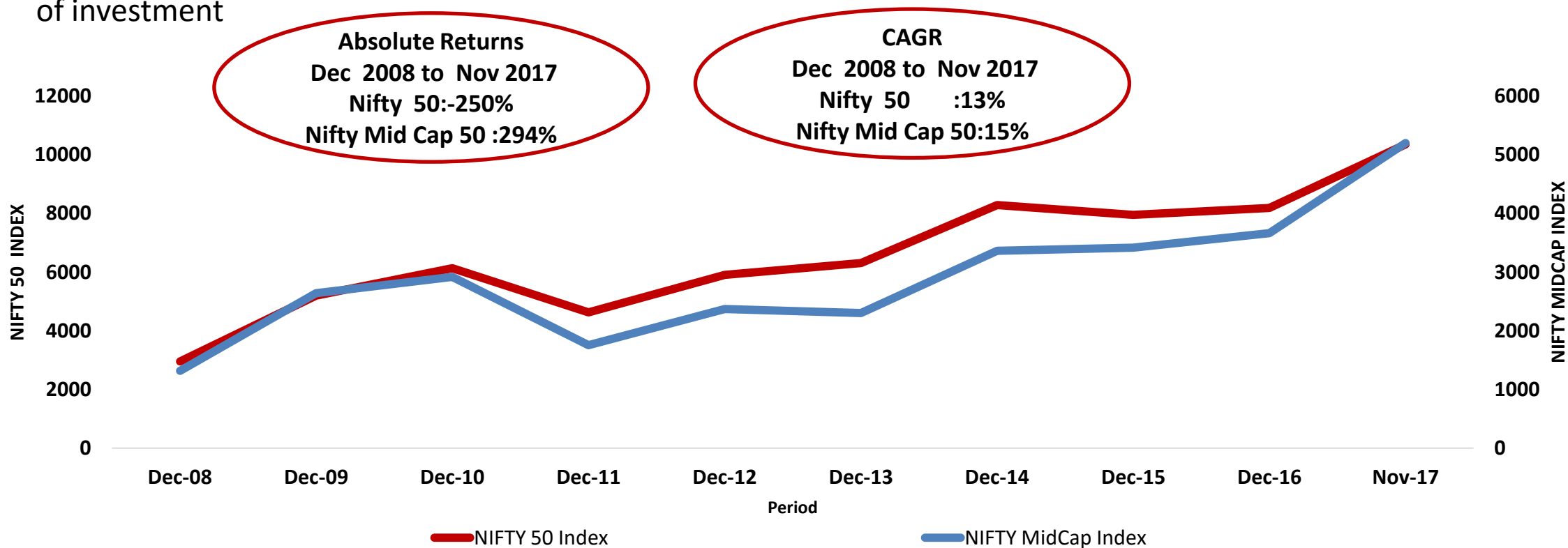
- In the following case study of US Stock Markets, the mid cap index (S&P Midcap 400 Index) has outperformed the large cap index (Dow Jones Industrial Average - INDU) over a period of 25 years
- The outperformance proves that mid companies tend to create more wealth for shareholders even in a slow growth and stable economy



For Comparable purpose the indices are converted in \$ term , calendar year end returns shown above are for 31st Dec of each year. The data provided above is for illustrative purpose only. Past performance may or may not be sustained in future. CAGR – Compounded Annual Growth Rate

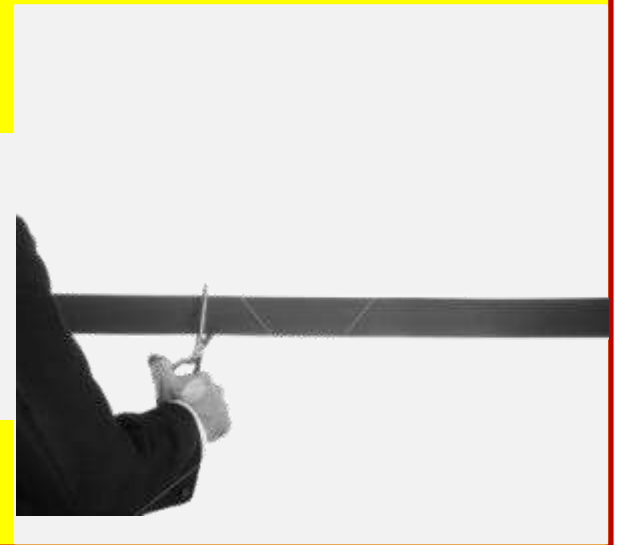
# INDIA – GROWTH IN ECONOMY AUGURS WELL FOR MID CAPS

- In it's first leg of growth of stock market, India has seen significant wealth creation in large caps as a first choice of investment



For Comparable purpose calendar year end returns for 31st Dec of each year ; Above line charts are actual index movements; The data provided above is for illustrative purpose only and should not be construed as a promise on minimum returns and safeguard of capital. Mahindra Asset Management Company Private Limited/Mahindra Mutual Fund is not guaranteeing or forecasting any returns. Past performance may or may not be sustained in future. CAGR – Compounded Annual Growth Rate

# THE NEW REGIME





# NEW MID CAP REGIME OVERVIEW

## New Equity Regime – Investment Universe by Market Capitalisation\*

Type of Scheme	Would invest in
Large Cap	1st to 100th companies in terms of full market capitalisation
<b>Mid Cap</b>	<b>101<sup>st</sup> to 250<sup>th</sup> companies in terms of full market capitalisation</b>
Small Cap	251 <sup>st</sup> company onwards in terms of full market capitalisation

- As per current SEBI Guidelines
- The list of companies will be updated by AMFI every 6 month (June & December).
- Portfolio rebalancing, if required, is to be carried out within a period of one month

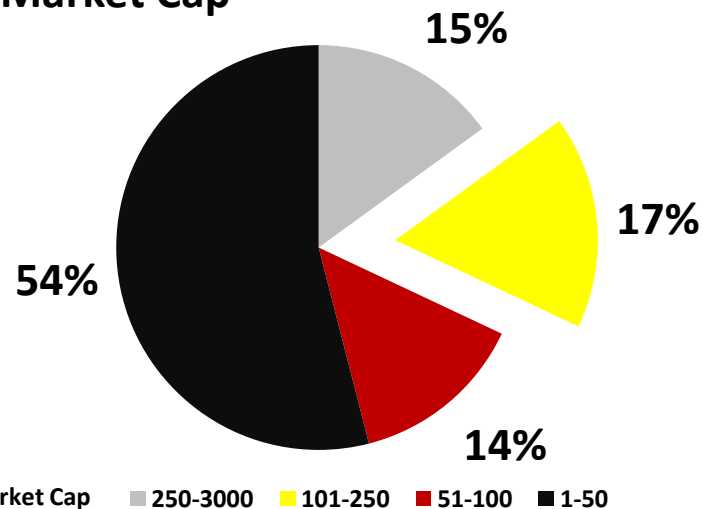
## Mid Cap Schemes - Market Capitalisation Range

Position by Market Cap	Market Capitalisation (in Cr)*
101 <sup>st</sup>	Rs 28,700
250 <sup>th</sup>	Rs 9,200

Source: Bloomberg | Data as on November 30, 2017 | \*Rounded off to nearest 100

**Coming Up :**  
Companies that made it to the Big League

## % Share in Market Cap^

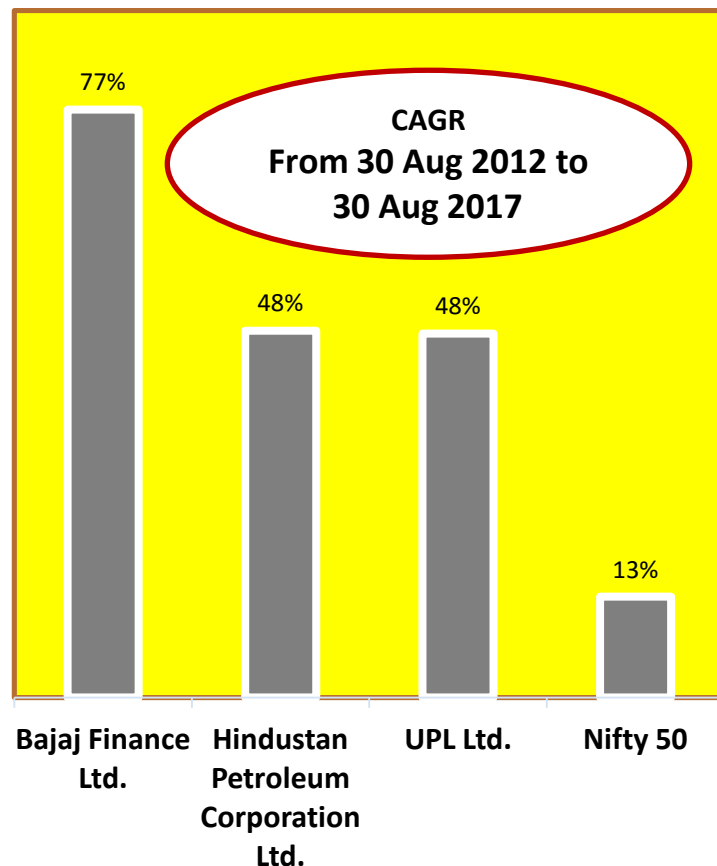


Source: Bloomberg | Data as on November 30, 2017 | ^This considers top 3000 companies by full market capitalization as per NSE

# COMPANIES THAT MADE IT TO 'THE BIG LEAGUE'

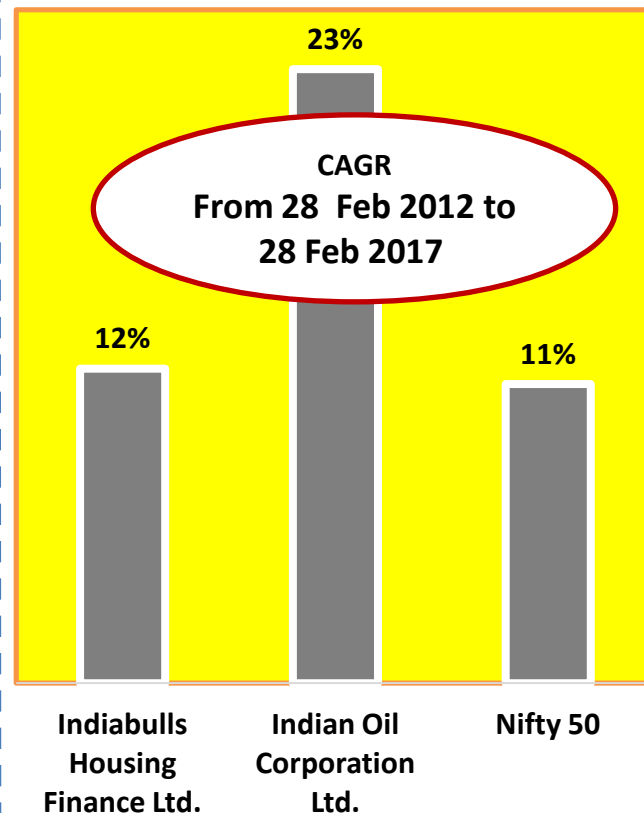


# PRIOR TO INCLUSION IN 'THE BIG LEAGUE' (NIFTY 50 INDEX)

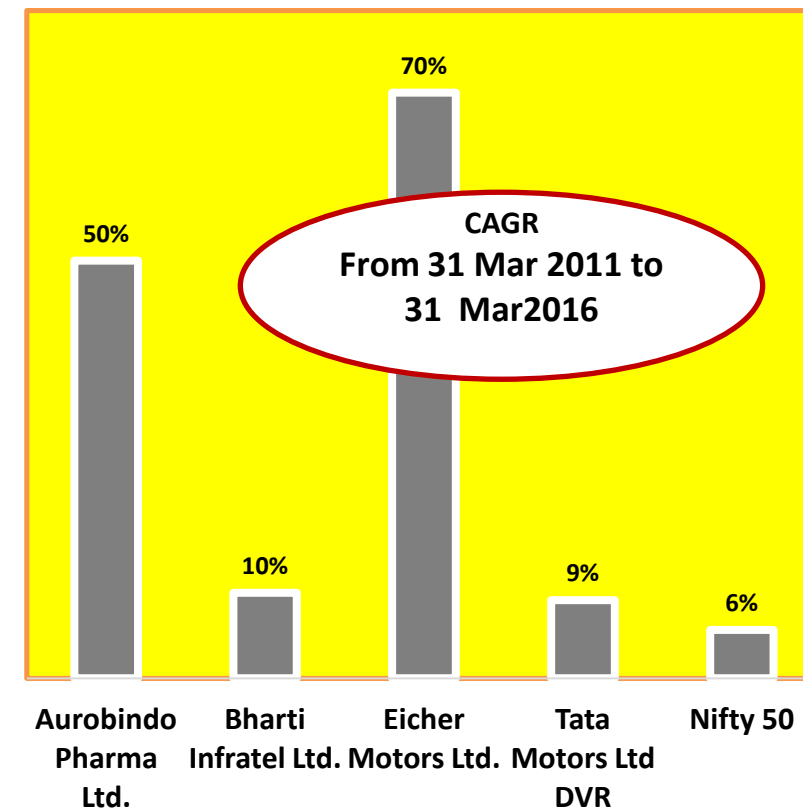


## Additions in the Index from 29<sup>th</sup> Sept 2017

Returns (CAGR) have been calculated for a 5 years period for the stocks referred above prior to their inclusion in the Nifty 50 / Nifty Next 50 Index. Past performance may or may not be sustained in future. The companies/stocks referred above should not be construed as recommendations from Mahindra Asset Management Company Private Limited / Mahindra Mutual Fund. Schemes of Mahindra Mutual Fund may or may not have any present or future positions in these companies/stocks. Mahindra Asset Management Company Private Limited/Mahindra Mutual Fund is not guaranteeing or forecasting any returns. CAGR – Compounded Annual Growth Rate



## Additions in the Index from 31<sup>st</sup> March 2017

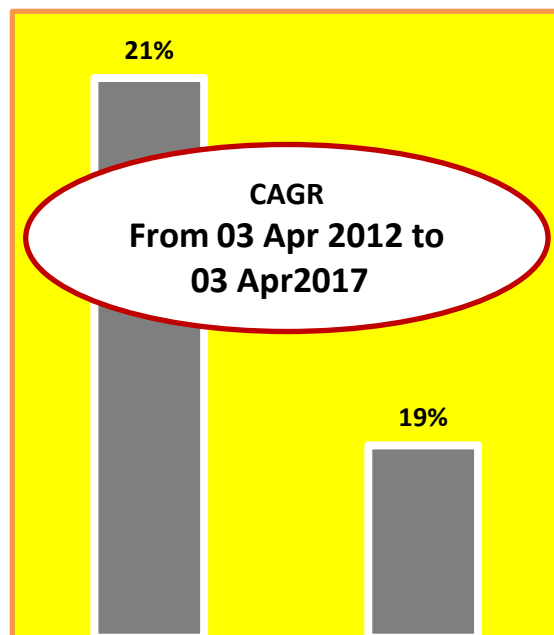


## Additions in the Index from 1<sup>st</sup> April 2016

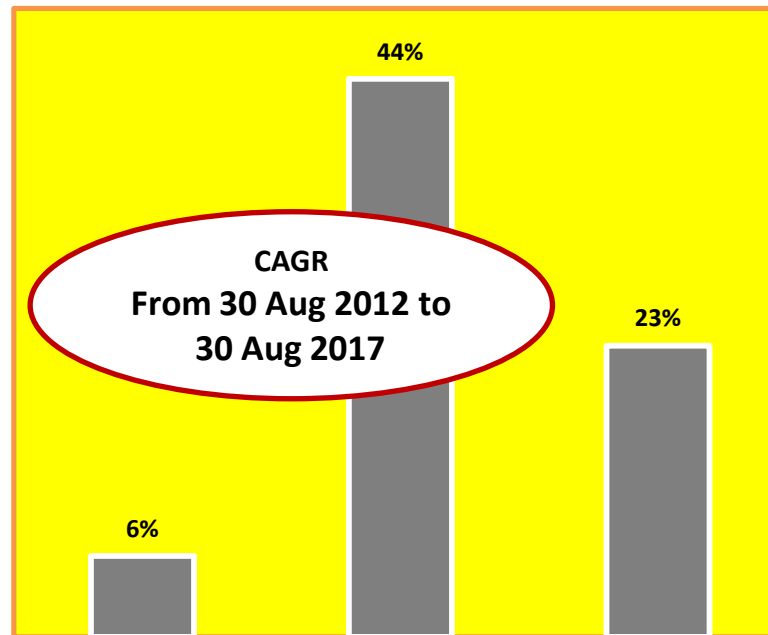
# PRIOR TO INCLUSION IN 'THE BIG LEAGUE' (NIFTY NEXT 50)

## Fundamental factors that may have contributed to the outperformance

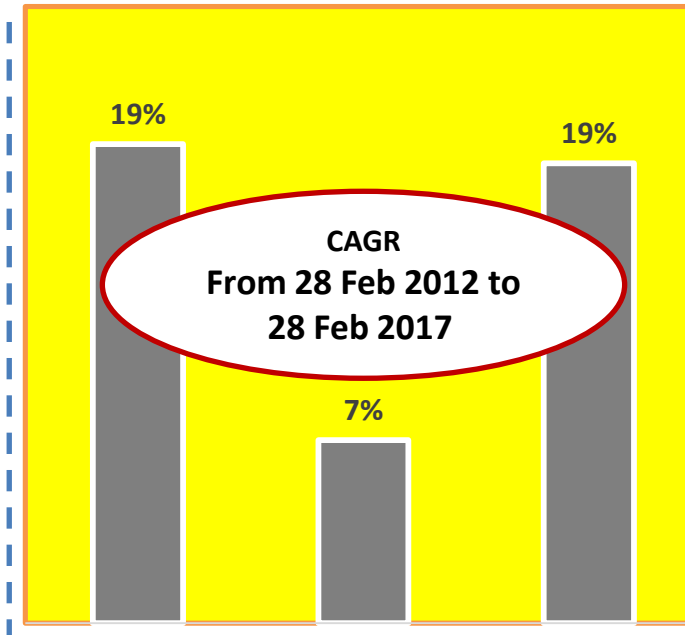
- Single focused businesses
- Long history of management and fundamentals



Sun TV Network Ltd. Nifty Next 50  
Additions in the index from 26<sup>th</sup> May 2017



ACC Ltd. MRF Ltd. Nifty Next 50  
Additions in the Index from 29<sup>th</sup> Sept 2017



Petronet LNG Ltd. RECL Nifty Next 50  
Additions in the Index from 31<sup>st</sup> March 2017

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# PRESENTING

PRESENTING

OUR MID CAP SCHEME







# MAHINDRA UNNATI EMERGING BUSINESS YOJANA

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Time and tide wait for none. Wise are those who follow time's footsteps. But wiser are those who stay ahead of it. Only with this foresight comes innovation and success, paving the way for true progress. Mahindra Unnati Emerging Business Yojana is born out of firm belief in the progress which comes out of such foresight. The foresight which keeps individuals and organisations ahead of the time, beholding immense potential for growth. If you too are someone who can see beyond the horizons of time, Mahindra Unnati Emerging Business Yojana is meant for you. Invest in Mahindra Unnati Emerging Business Yojana and stay 'Samay se aagey'!

## Samay se **Aagey**

# MAHINDRA UNNATI EMERGING BUSINESS YOJANA

## Asset Allocation

Asset Allocation Pattern	Indicative Allocation (% of assets)	Risk Profile
Equity and Equity related Securities of Mid Cap Companies^	65-100	High
Equity and Equity related Securities of Non Mid Cap Companies^	0-35	High
Debt and Money Market Securities^ (including CBLO, Reverse Repo and units of liquid mutual fund schemes)	0-35	Low to Medium
Units issued by REITs & InvITs	0-10	Medium to High

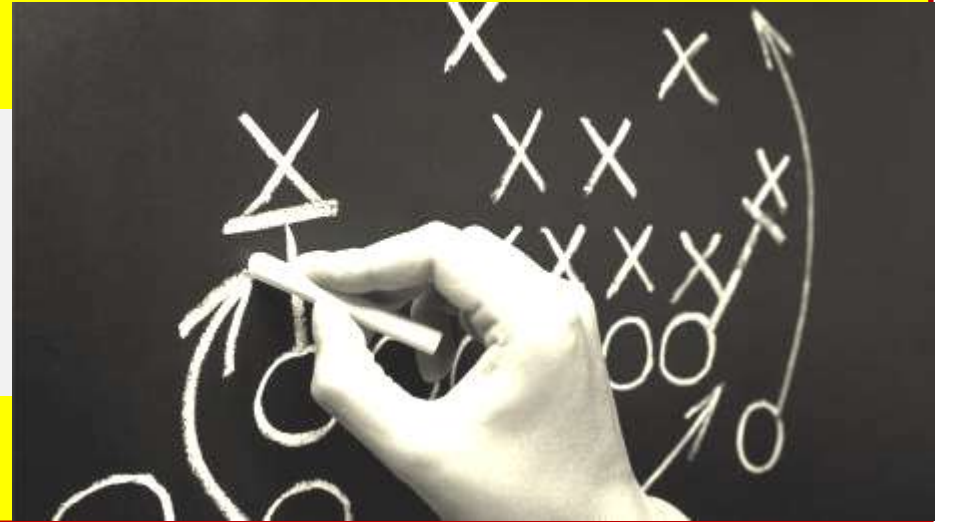
^ including derivative instruments to the extent of 50% of the Net Assets of the Scheme

For detailed asset allocation refer SID of the Scheme available at [www.mahindramutualfund.com](http://www.mahindramutualfund.com) or visit nearest Investor Service Centre.

## New Equity Regime – Investment Universe by Market Capitalisation\*

Type of Scheme	Would invest in
Large Cap	1st to 100th companies in terms of full market capitalisation
Mid Cap	<b>101<sup>st</sup> to 250<sup>th</sup> companies in terms of full market capitalisation</b>
Small Cap	251 <sup>st</sup> company onwards in terms of full market capitalisation

# INVESTMENT STRATEGY





# INVESTMENT STRATEGY

- Active management style
- Diversified portfolio of mid cap companies with a long term perspective.
- Bottom up stock picking across sectors, based on the industry, macro and long term potential of the business.
- Build an appropriate portfolio to capture the growth opportunities in India and identify companies which can grow to become the next leaders in their segment



## INVESTMENT STYLE

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- Identify small companies in a larger industry with a premium or differentiated product
- Identify larger companies in a smaller industry with significant market share or leadership

# PHILOSOPHY & PROCESS







# CENTRAL GUIDING PHILOSOPHY

**Making Money For Our Investors  
At The Lowest Probability Of Risk**

Not losing money will be Rule#1  
Not Forgetting Rule#1 will be Rule #2,3,4...

Prevent Permanent Impairment of Capital  
Principle of “**Primacy of Risk Control**”

**FUND MANAGEMENT FACTORY**





# BUILDING BLOCKS

## Research & Discipline Based Asset Allocation

- Economic Cycles
- Business Cycles

## Research Based Securities Trading

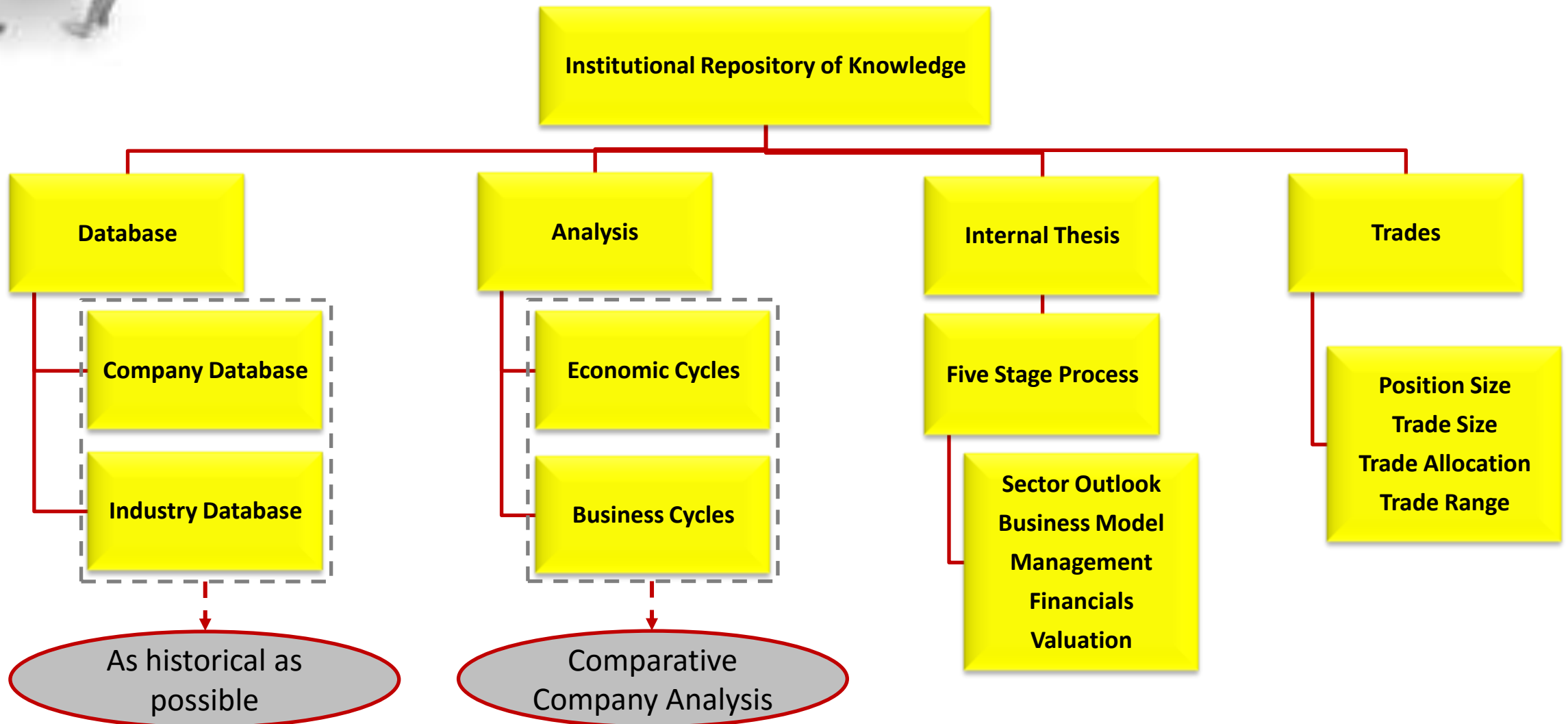
- Securities Analysis
- Securities Selection
- Position and Trade Decisions

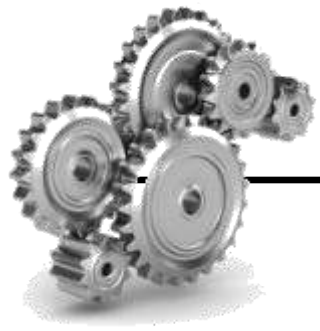
## Ongoing Performance Measurement

- Market
- Peers
- Customer

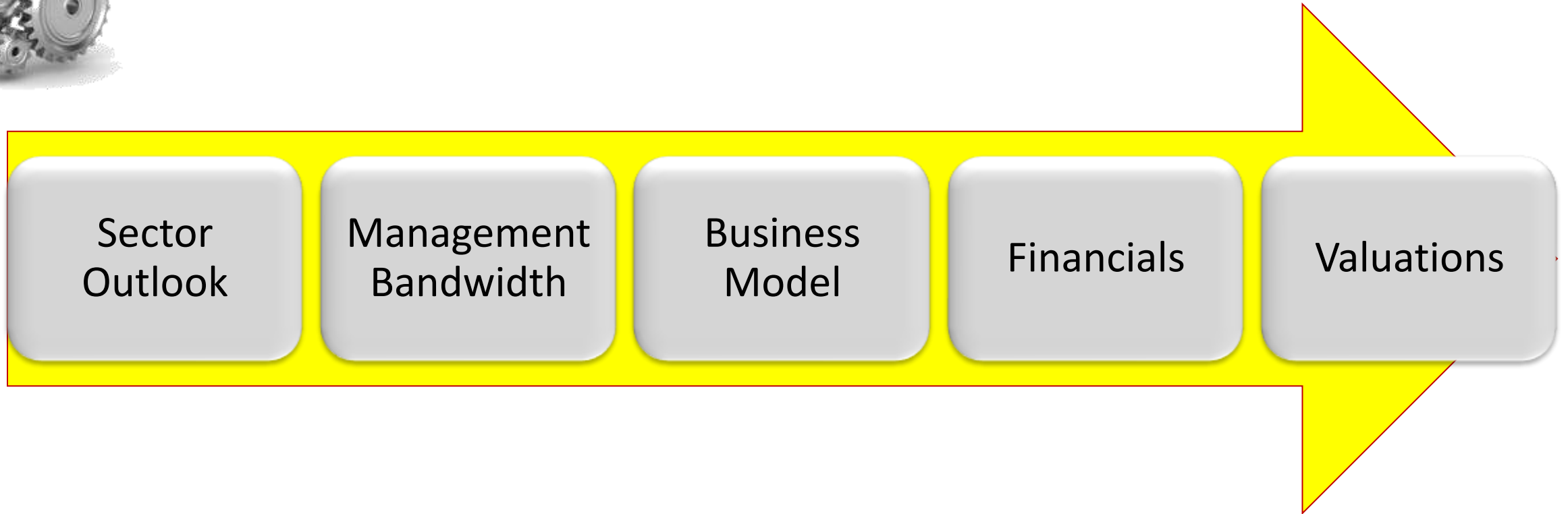


# THE ASSEMBLY LINE





# PROCESS TO FOLLOW



Answering the basic question:

*“The right time and right price”*

**BUSTING MYTHS**

**MARKET PROGNOSIS**







# MARKET PROGNOSIS – BUSTING MYTHS

## Busting the myths about mid cap low earnings

In a relatively sluggish macro growth environment

Midcap companies have shown higher earnings growth in a sluggish market compared to large caps

## This may be due to larger opportunities opening up across sectors

As economies become larger there are multiple opportunities / niche in multiple sectors to create a fair market place

Earnings Growth (FY14-17)	Mean
Large Caps	8.2
Mid Caps	17.1

Large Caps – Weightage average of Top 100 companies by market cap

Mid Caps – Weightage average of Top 101 to 250 companies by market cap

Past performance may or may not be sustained in future.



# MARKET PROGNOSIS – BUSTING MYTHS

## Busting the myths about global event risk

- The FII ownership in mid cap companies are relatively lower compared to domestic institutions
- Domestic ownership of companies may be higher or equal to in midcap as compared to large caps
- Fund flows in domestic institutions will ensure that in the adverse event of global asset re-allocation, these companies will see minimum impact

Average FII Holdings (%)	FY14	FY15	FY16	FY17
Large Caps	21.0	20.0	22.1	21.6
Mid Caps	14.0	13.4	13.5	12.7

Large Caps – Weightage average of Top 100 companies by market cap

Mid Caps– Weightage average of Top 101 to 250 companies by market cap



# MARKET PROGNOSIS – BUSTING MYTHS

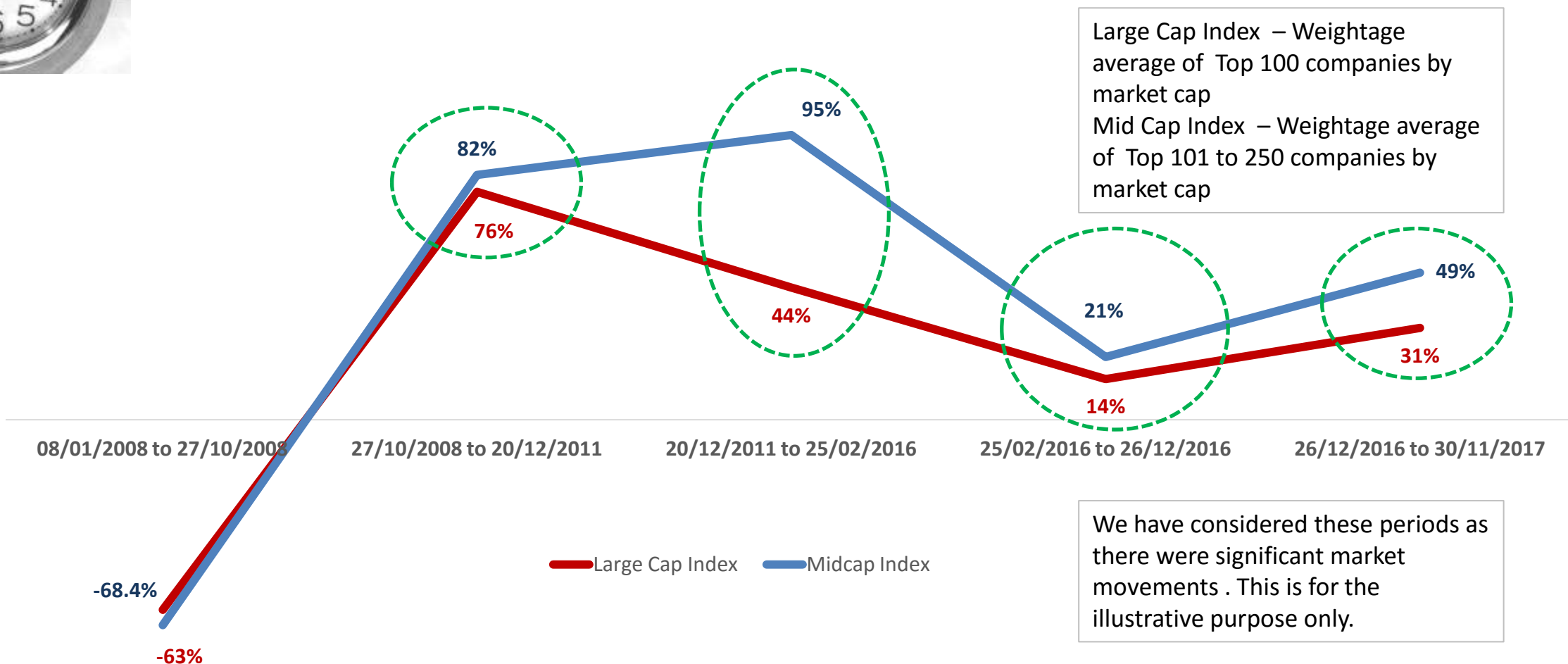
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## The myths about current high valuations

- Valuations of these mid cap companies are historically and relatively high as these businesses have moat or limited moat strengths.
- These mid cap businesses may be delinked from external environment as these are individual segment focus businesses so any kind of external shocks the impact may be limited.
- We have witnessed resilience of these business models in adverse macro event in the past



# MIDCAPS OUTPERFORMING LARGE CAPS OVER LONG TERM



Source: Bloomberg; Above data is for illustrative purposes only and should not be construed as a promise on minimum returns and safeguard of capital. Mahindra Asset Management Company Private Limited/Mahindra Mutual Fund is not guaranteeing or forecasting any returns.. Periods considered for the above data are periods during which significant market movements were observed. Returns calculated above are in absolute terms for the respective periods as defined above. Past performance may or may not be sustained in future.

# INDIA – ON GROWTH PATH TO BE ONE OF THE LARGEST ECONOMIES

**THE ECONOMIC TIMES** Finance

Home Industry Auto Banking/Finance Cons. Products Energy Ind'l Goods/Svs Health

Banking Finance Insure

ET Home > Industry > Banking/Finance > Finance

01:47 PM | 20 NOV LIVE MARKET STATS

सेन्सेक्स 33,348 ▲ 5.49

निफ्टी 50 10,286 ▲ 2.75

सोने (एमसीएस) 29,651.00 ▼ -39.00

ब एस डी/भा... 65.00 ▼ -0.02

NEWS FLASH Rahul Gandhi to take charge as Congress chief on December 19

**GST SPECIAL**

**India may become third-largest economy in next 10 yrs: HSBC**

PTI | Updated: Sep 26, 2017, 12:27 PM IST

NEW DELHI: Reforms over the past year have created disruption in India's GDP numbers, but the medium term potential looks bullish, and considering the growth trend, it could become the world's third-largest economy in the next decade, says an HSBC

**THE HINDU**

JUST IN

4mins Supreme Court stays NGT's direction to open new

14mins Kenya top court upholds Kenyatta's win in

57mins Sonia Gandhi says government 'sabotaging'

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BUSINESS - ECONOMY

**ECONOMY**

**India likely to be third largest economy in 10 years: Morgan Stanley**

UPDATED: SEPTEMBER 26, 2017 12:32 IST

**hindustantimes**

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**India to outpace US to emerge as second largest economy by 2040, PwC says**

By 2040, India's gross domestic product in PPP terms will grow to \$30 trillion from \$8.7 trillion in 2016, while US will grow from \$18.6 trillion to \$28.3 trillion, says a PwC report titled "The World in 2050".

BUSINESS Updated: Mar 07, 2017 12:30 IST

Raj Kumar Ray  
Hindustan Times, New Delhi

**hindustantimes**

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**India's economy to become 3rd largest, surpass Japan, Germany by 2030**

The estimate by the United States Department for Agriculture Economic Research Service (USDA) assumes the Indian economy will expand annually at an average 7.4% to \$6.84 trillion by 2030. This will make it bigger than that of the economies of Japan (\$6.37 trillion) and Germany (\$4.38 trillion)

BUSINESS Updated: Apr 28, 2017 18:51 IST

Raj Kumar Ray  
Hindustan Times, New Delhi

# SCHEME DETAILS

Minimum Redemption Amount / Number of Units	Purchase	Additional Purchase	Repurchase
	Rs. 1,000/- and in multiples of Re. 1/- thereafter	Rs. 1,000/- and in multiples of Re. 1/- thereafter	Rs. 1,000/- or 100 units or account balance, whichever is lower

**Entry Load: N.A.**

**Exit Load:**

- An Exit Load of 1% is payable if Units are redeemed / switched-out upto 1 year from the date of allotment;
- Nil if Units are redeemed / switched-out after 1 year from the date of allotment.

**Systematic Investment Plan**

Particulars	Frequency available	
	Monthly	Quarterly
<b>SIP Transaction Dates</b>	<b>Any Date*</b> For SIPs being registered through Post Dated Cheques (PDC) mode, available SIP dates will be 5th, 10th, 15th, 20th and 25 <sup>th</sup> day of the month under the monthly/quarterly frequency	
<b>Minimum no. of installments and Minimum amount per installment</b>	6 installments of <b>Rs. 500/-</b> each and in multiples of Re 1/- thereafter	4 installments of <b>Rs.1,500/-</b> each and in multiples of Re 1/- thereafter

**Benchmark: S&P BSE Midcap Index**

**Fund Manager: Ratish Varier**

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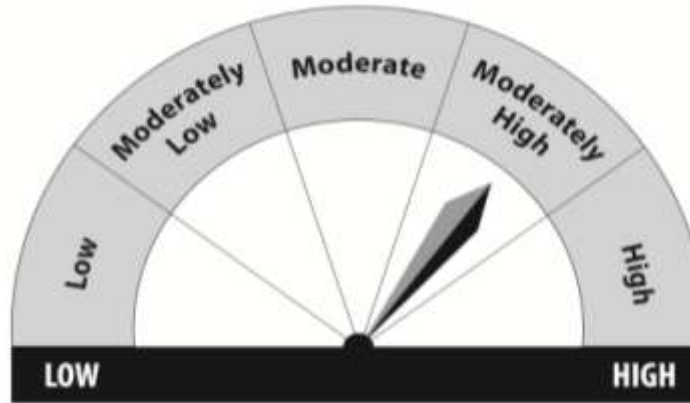
\* If SIP installment due date falls on a Non-Business day, then the respective transactions will be processed on the next Business Day. However, in case the chosen date is not available in a particular month, the SIP will be processed on the last day of that month.



# PRODUCT LABELING

This product is suitable for investors who are seeking\*

## Riskometer



Investors understand that their principal  
will be at moderately high risk

- Long term capital appreciation;
- Investment predominantly in equity and equity related securities including derivatives of mid cap companies.

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

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**For detailed asset allocation, investment strategy, scheme specific risk factors and more details, please read the Scheme Information Document and Key Information Memorandum of Mahindra Unnati Emerging Business Yojana available at ISCs of Mahindra AMC and Computer Age Management Services Private Limited and also available on [www.mahindramutualfund.com](http://www.mahindramutualfund.com). Past performance may or may not be sustained in the future and should not be used as a basis for comparison with other investments.**

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

Cno.000263

# धन्यवाद

## THANK YOU