



What are small caps and Why invest in them?

Small cap stocks are defined as 251st company onwards in terms of market capitalization.

Smaller companies offer higher long-term growth potential compared to larger companies.

Most often, small cap companies are overlooked, under researched and under owned offering an opportunity for long term wealth creation.

Why invest in Sundaram Emerging Small Cap Series V?

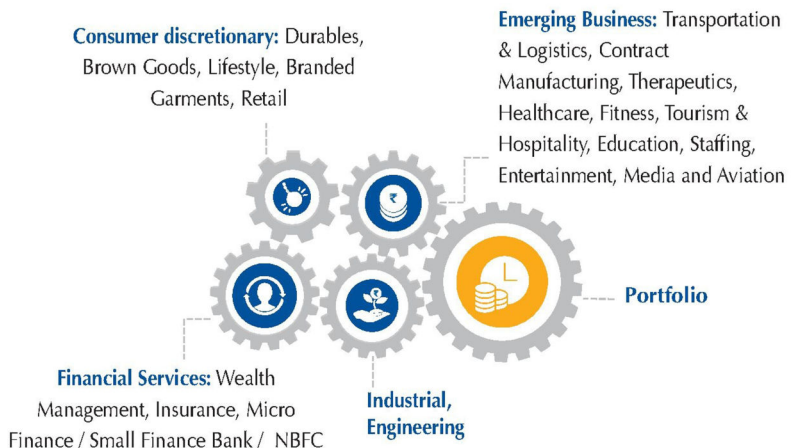
Sundaram AMC is a fund house with a long and successful track record of over 15 years in investing in the mid and small cap space.

The fund aims to offer upside potential over the long term by investing in high growth small cap stocks.

The fund would follow a bottom up approach in stock selection based on in-house research.

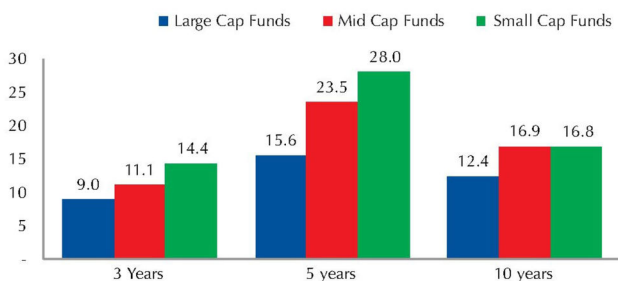
Why now?

- Robust uptick in economic growth driven by reforms and targeted spend
- Recent correction in prices especially of small caps offers an attractive entry point
- 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 favour small companies.
- Continuing structural change to the economy will herald the arrival of new industries which most likely will be by small cap companies.

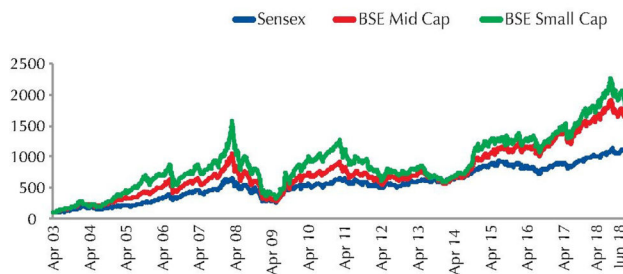


Small cap funds have outperformed

Small cap funds have outperformed over various time periods



Performance across market cycles, across market cap curves BSE Mid-cap and Small-cap movement against the Sensex



Source: Value Research; Data as of June 30, 2018

	Phase 1			Phase 2			Phase 3		
	Begin	End	% Returns	Begin	End	% Returns	Begin	End	% Returns
	Apr'03	Jan'08		Jan'08	Oct'13		Oct'13	Jun'18	
BSE Sensex	3,168	20,873	559	20,873	21,165	1	21,165	35,423	67
BSE Midcap Index	950	9,817	933	9,817	6,107	-38	6,107	15,451	153
BSE Small Cap Index	885	13,516	1,427	13,516	5,896	-56	5,896	16,032	172

- In the last economic upturn between Apr'03 and Jan'08, large caps appreciated by 559%, mid caps by 933% and small caps by 1,427%
- During the current bull market (from Oct'13 to Jun'18), the numbers are 67%, 153% and 172% respectively.
- **Potential for further appreciation from current levels.**

Data as on June 30, 2018. Returns are calculated on absolute basis.

Source: Bloomberg; Sundaram Asset Management

Widening Choice: Cap-Curve based trends across NSE & BSE

Category	Mar-04	Mar-07	Mar-10	Mar-13	Mar-18
Largecap	9,207	26,819	45,036	50,556	96,557
Midcap	1,104	4,518	7,546	9,293	24,077
Smallcap	618	3,823	6,288	7,128	22,241
Total Mcap	10,929	35,161	58,871	66,977	1,42,875
Share of Smallcaps (%)	5.7	10.9	10.7	10.6	15.6

Investment opportunities in small cap space has expanded and will continue to expand, as the economy grows and more and more companies and sectors emerge.

New companies and new sectors most likely will start their life-cycle as small caps. An early investment in them offers the opportunity for long term wealth creation as they transition from small to mid and eventually to large cap companies.

*M.Cap in Rs. Bn.

Source: In-house Computation

Scheme Summary

- A five year close-ended Equity Scheme
- A diversified portfolio of around 50 growth oriented reasonably valued small cap stocks
- Benchmark – S&P BSE 250 Small Cap Index

Key Benefits

- Opportunity to benefit from growth potential of small cap companies
- Given the close-ended structure, the fund is better placed to pick stocks with a long term outlook
- A proven fund manager with a long and successful track record

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

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