



SMALL CAP THEME

OBJECTIVE

Long-term capital growth by investing in smaller but growing companies of India

STRATEGY

Active investing in Small Cap investment universe by identifying companies with improving fundamentals. Tactical weight allocation under the sub-classes to achieve positive return along with managing the risk.

PROCESS - Fundamental Bottom Up Research

Information mining, financial modeling, investment thesis, active & rigorous tracking for changes in earnings & quality outlook.

BENCHMARK

Nifty Small Cap 100 Index



No. of Stocks
20-30 Stocks



Time Horizon
7 Years



Expected CAGR
18%



SIP Amt.
NA



Top-up /Withdrawal Amt.
50,000

WHY SMALL- CAP?

Most of the multi bagger stock today were small cap few years back. Over the last 2 years, small cap stocks have seen sharp fall owing to credit squeeze, demand slowdown and over ownership during 2017. Small cap theme portfolio is not meant as core portfolio for an investor but some tactical allocation by investors in small cap theme can be highly valuable.

Small Cap Companies perform well in up cycles. The continuous rate cuts by the RBI will create base for next bull market to start.



Large Cap Companies

- Large Cap Companies: As defined by SEBI, The Top 100 companies by market capitalization fall into the category of Large Cap Companies.
- These companies are the most liquid in nature. They have their Beta closest to 1 and run in sync with the overall market.



Mid Cap Companies

- Mid Cap Companies: SEBI defines Mid Cap Stocks as the ones who fall in 101st to 250th company by Market Capitalization.
- These stocks tend to be riskier than the large cap stocks & less risky than small cap stocks. They however offer more great potential than the large cap stocks



Small Cap Companies

- The 251st onward companies as per full market capitalization can be called as small cap stocks
- These stocks are the most volatile in nature. They become inconsistent during recessionary phases ,however they outperform Large & mid cap companies in Bull periods.



SMALL CAP THEME

KEY FEATURES OF SMALL CAP THEME

Investment in high risk but high gain

Small Cap stocks are usually high risk high gain opportunities

Cap Risk:

The Investment advisory portfolio carries cap risk as it is exposed primarily to the small capitalization stocks.

Benchmarking:

The Investment advisory portfolio will be benchmarked against the Nifty Small Cap 100 Index.

The portfolio:

The portfolio will consist of 20-30 stocks to provide superior returns.

Growth in Value Framework

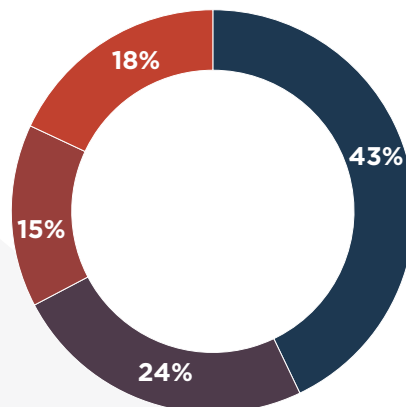
Companies that have improving/higher return ratio are favored.

Bottom Up Analysis:

A rigorous bottom up research of business financials & management strategies is carried out for all portfolio companies.

Small Cap Theme

- Consumers
- Financials
- Industrial
- Global



COMPANY	%
TATAELXI	9%
ZYDUSWELL	6%
APLLTD	5%
GUJGASLTD	5%
SUNTV	5%
DIXON	5%
ICICIGI	5%
MCX	5%
KNRCON	4%
ESCORTS	4%
VMART	4%
BALKRISIND	4%
LALPATHLAB	4%
CAMS	4%
SUBROS	4%
ALKEM	4%
CANFINHOME	4%
MASFIN	4%
KAJARIACER	4%
BANDHANBNK	4%
MOLDTKPAC	3%
INDIAMART	3%
TCIEXP	2%
NIPPON INDIA ETF LIQ	2%

Return Profile vis a vis Benchmark

	1 year	2 Years	3 years	4 Years	5 years	Since Inception (1st April 2013)
Small Cap	44.6	26.8	6.4	12.3	23.7	27.1
Nifty Small Cap 100	41.8	16.5	-1.2	4.7	13.0	12.4

Please Note: Data as on February, 2021. The 1 year is ABSOLUTE returns & 2y/3y/4y/5yr/SI figures are CAGR Returns. The above portfolio allocation will be assessed every month to ascertain sector and scrip reshuffling. Kindly contact your RM for the latest allocation.