



Samco Multi Cap Fund

(An open-ended scheme investing across large cap, mid cap and small cap stocks)

Built with **4-in-1 Strategy**

NFO Opens on **10-10-2024**

NFO Closes on **24-10-2024**

This product is suitable for investors who are seeking* :

- To generate long-term capital growth
- A fund that invests predominantly in equity and equity related securities across large cap, midcap and small cap stocks

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

(The product labelling assigned during the New Fund Offer is based on internal assessment of the scheme characteristics or model portfolio and the same may vary post NFO when actual investments are made)

Risk-o-meter



Investors understand that their principal will be at very high risk

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

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Multi Cap Funds are All-weather equity funds

Multi Cap Funds form the backbone of any investors portfolio

- **Great all-weather funds**

- Multi Cap Funds are well-suited to navigate different market cycles, making them an ideal all-weather investment option. Their diversified exposure to large, mid, and small cap companies ensures that the fund can adapt to varying economic and market conditions. During market downturns, large-cap stocks typically provide stability and resilience due to their strong fundamentals and established market presence. Conversely, in bullish market phases, mid- and small-cap stocks have the potential to generate significant growth.

- **One Stop Solution**

- Multi Cap Funds offer a convenient way to gain exposure to the entire equity market, saving investors the need to invest separately in different market segments. This makes it easier to manage and track.

- **Optimal Disciplined Diversification**

- A Multi cap fund, as the name suggests, is diversified across large, mid and small cap companies. It has the mandate to have a minimum of 25% allocation each to large, mid and small cap companies at all points of time, leaving room for the balance 25% to be invested in any of the three market caps based on the fund manager's choice.

- **Tax Efficient Re-balancing**

- Many time investors hold separate large, mid, small cap funds and they tactically rebalance based on market conditions. However, each time they rebalance their portfolios, there is tax incidence. Multi-cap funds resolve this issue in a tax-efficient manner. Rebalancing done by a fund manager does not attract tax as mutual funds are a pass-through vehicle. An investor pays tax only when they sell units of mutual funds.

Multi caps give disciplined exposure to the mid & small cap segment which offer high growth potential

Market Cap	Multi Cap Benchmark – NIFTY500 Multicap 50:25:25	Flexi Cap Benchmark – NIFTY 500	Difference in Benchmark Exposure	10 Year Benchmark Rolling Return*
Large Caps	50%	~ 74%	-24%	12.63% (NIFTY 100 TRI)
Mid Caps	25%	~ 17%	+8%	15.92% (NIFTY MIDCAP 150 TRI)
Small Caps	25%	~ 9%	+16%	13.24% (NIFTY SMALLCAP 250 TRI)
	10Y Rolling Return for NIFTY 500 Multicap 50:25:25 ~ 13.91%	10Y Rolling Return for NIFTY 500 ~ 12.57%		

Mid and Small Caps historically have delivered higher returns on a 10-year rolling basis as compared to Large caps due to their inherently higher growth potential

NIFTY500 Multicap 50:25:25 has delivered higher returns than the NIFTY 500 historically on a 10-year rolling basis due to their inherently higher exposure to the mid and small cap segment.

* Average 10 Year CAGR Rolling Return of representative indices from 2014-2024. Period ending September 20, 2024. These are returns of the benchmark indices and do not represent the returns of a scheme. Past performance is not an indication/guarantee of future returns.



Industry dynamics in the Multi Cap category

Industry Positioning

Largely 3-in-1 Funds with

50% Large Caps : 25% Mid Caps : 25% Small Caps

~ Why so?

Because the Benchmark is
Nifty500 Multicap 50:25:25

<u>Fund</u>	<u>Large Cap</u>	<u>Mid Cap</u>	<u>Small Cap</u>	<u>Cash/Others</u>
1	38.70	28.83	29.24	3.23
2	38.22	25.22	25.86	10.70
3	38.83	25.45	25.08	10.65
4	41.95	26.03	27.95	4.07
5	41.42	26.42	29.30	2.86
6	31.99	28.86	33.14	6.00
7	42.18	27.03	27.61	3.18
8	43.85	25.31	27.54	3.30
9	42.91	28.71	25.96	2.42
10	38.92	26.52	31.32	3.25
11	45.22	26.64	27.19	0.94
12	44.34	25.51	27.74	2.41
13	44.66	26.35	26.51	2.48
14	43.38	26.73	26.19	3.70
15	35.64	28.38	33.65	2.34
16	42.53	26.04	25.49	5.94
17	34.25	25.89	34.41	5.46
18	30.38	25.85	40.01	3.76
19	41.24	26.45	30.14	2.17
20	40.52	25.64	30.66	3.18
21	25.49	26.74	42.22	5.55
22	42.86	26.50	29.16	1.48
23	46.78	26.13	25.28	1.82
24	33.44	27.85	29.31	9.41
Average	39.57	26.63	29.62	4.18

What is the current scenario?

3-in 1 Funds with a ~ 50 : 25 : 25 Allocation

Most Multi Cap funds available have allocated the largest portion of their Total Equity allocation to Large cap companies, which restricts the product's performance due to the relatively lower returns of this category compared to other segments.

Traditional Investing

The industry participants generally restrict themselves to fundamental aspects of the company such as business model, financial strength and management etc. This single dimensional approach limits the potential to generate excess returns.

Static Portfolio

The products available in the market often utilize a static portfolio with low turnover and traditional downside protection measures, resulting in drawdowns like those of passive products.

In the light of above, there is a real opportunity to build a differentiated strategy!

Introducing

Samco Multi Cap Fund

Scan this code
to watch our launch
TV Commercial



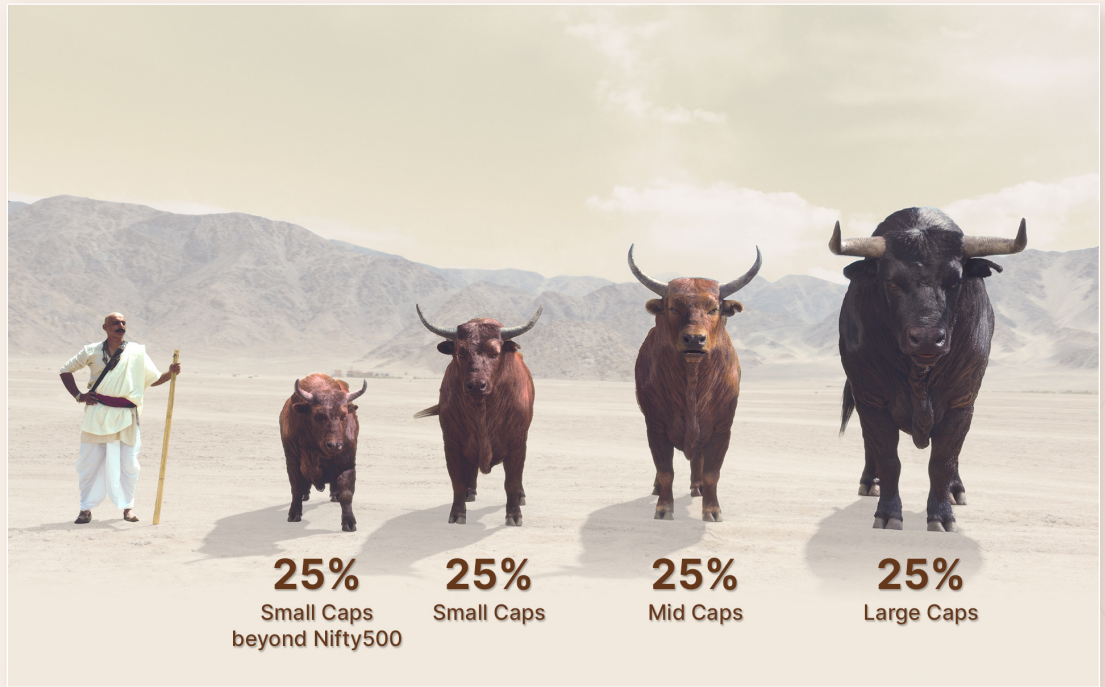
Introducing Samco Multicap Fund

– Built with 4-in-1 Strategy

4 in 1 Strategy

To improve the risk adjusted returns for the capital deployed, our strategy distributes capital evenly across 4 categories, each category receiving 25% of the portfolio allocation:

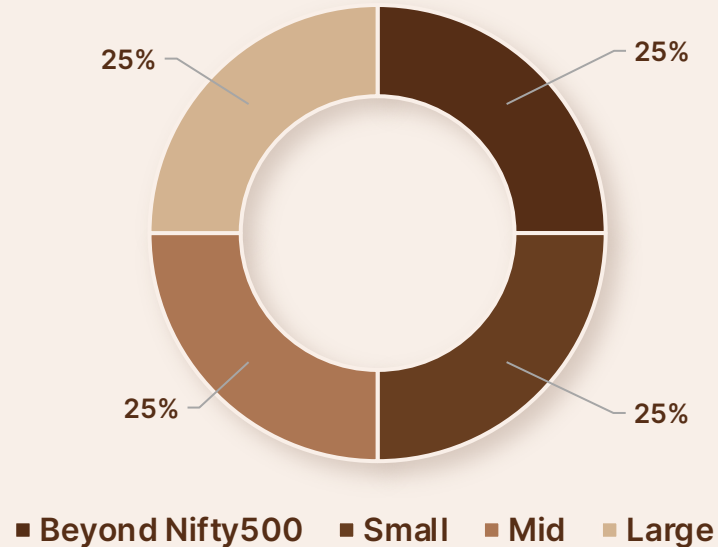
- **Large Cap:** Stable, large business models.
- **Mid Cap:** Established players with growth potential.
- **Small Cap:** High-growth potential firms.
- **Smaller Caps beyond Nifty 500:** Unique small-cap gems outside Nifty 500.



Portfolio Allocation of Samco Multi Cap Fund

In a bull market scenario, Samco Multi Cap Fund will allocate 25% each to Large, Mid, Small, and Smaller companies. This strategic distribution will enhance the risk-adjusted returns of the portfolio.

During Normal Market Conditions

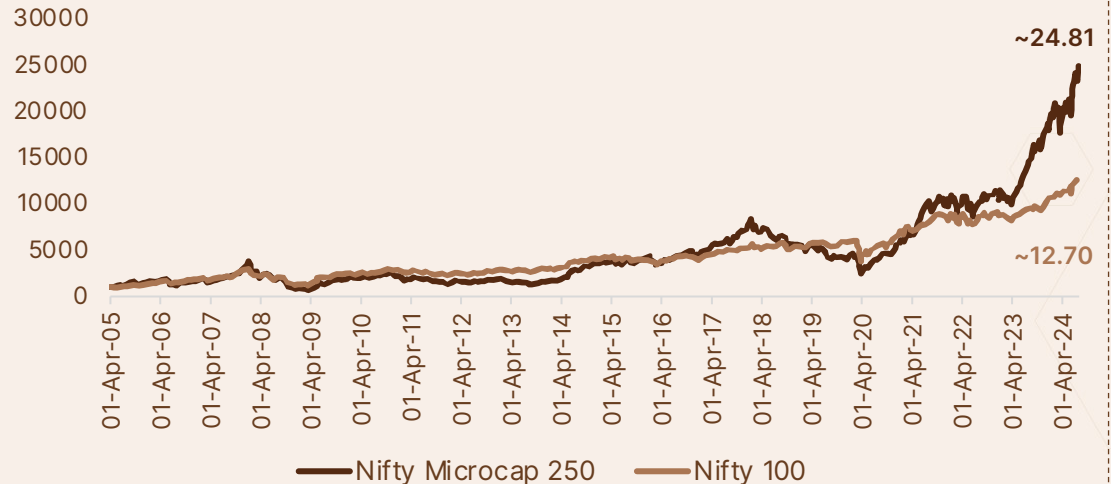


Nifty Microcap 250 vs Nifty 100

An amount of INR 1 lakh invested in Nifty Microcap 250 index on April 01, 2005, would have yielded a corpus of ~ **INR 24.81** lakhs which would be **1.95X** the final corpus of ~ **INR 12.70** lakhs generated by investing in Nifty 100.

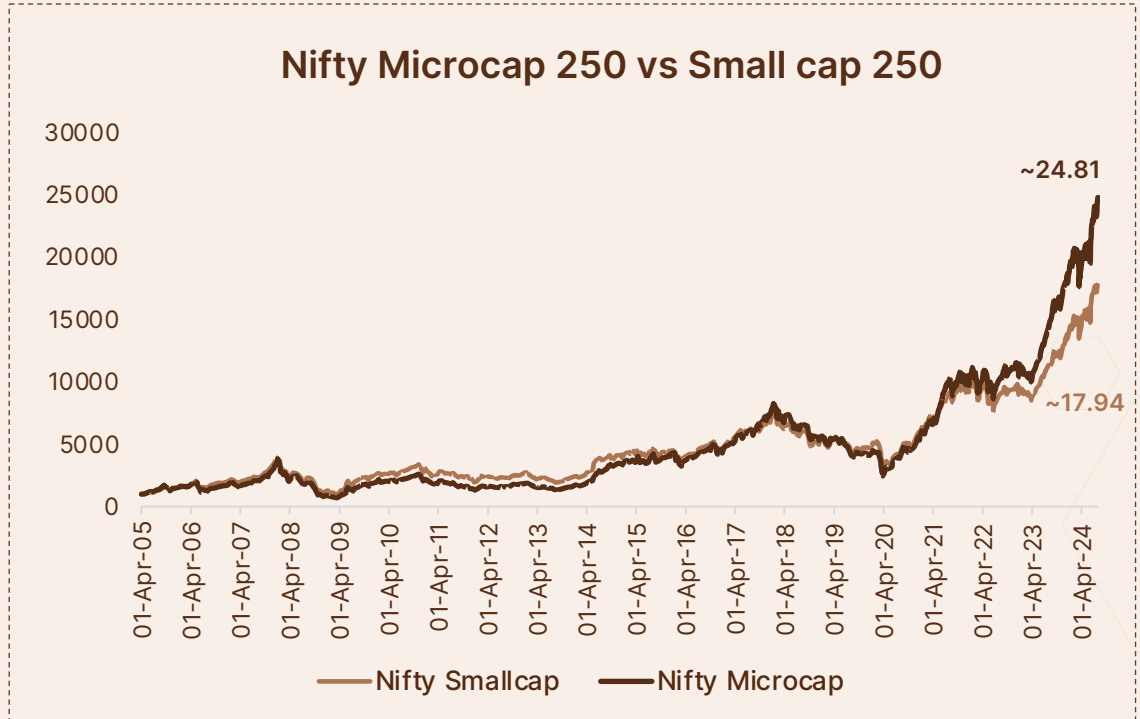
Historically the Smaller companies beyond the NIFTY 500 tend to outperform the Large companies by a significant margin in the longer run due to lower base, rapid growth and the ability to pivot with changing dynamics.

Nifty Microcap 250 vs Nifty 100



Nifty Microcap 250 vs Nifty Smallcap 250

The Nifty Microcap 250 index has outperformed the Nifty Small cap 250 index by a reasonable margin over the last few years. This indicates that the small cap companies beyond the indices created by the exchanges could provide undiscovered opportunities for generating excess returns.



Discovering gems beyond base Small cap universe

Mean data for companies in the top two quartiles


Factors	Nifty Microcap 250	Nifty 500 (Small cap)
Sales Growth 5Y	13.78%	13.69%
Sales Growth 3Y	30.73%	27.83%
Profit Growth 5Y	33.92%	31.71%
Profit Growth 3Y	59.11%	54.19%
Return on Equity	21.36%	19.53%
Return on Capital Employed	24.96%	22.77%

Note: Data represented is Ex-Financials

A comprehensive analysis of Small cap companies from top two quartiles (based on RoE ranking) of Nifty 500 and Nifty Microcap 250 indicates outperformance by companies under the Microcap index across multiple factors which provides scope of finding undiscovered Small cap gems beyond traditional Small cap indices.

A 25% allocation to smaller caps beyond NIFTY 500 offer higher opportunity for alpha

Market Cap	Nifty 500 Multicap 50:25:25 Benchmark	Samco Multi Cap (Steady state)
Large Caps	50%	25%
Mid-Caps	25%	25%
Small Caps	25%	25%
Smaller Caps beyond NIFTY 500	0%	25%



Vis - a - vis the benchmark which allocates 50% to large caps, the Samco Multi Cap Fund is designed to re-allocate 25% from large caps to Smaller caps beyond NIFTY 500 with an aim to generate higher alpha over the long term. This opportunity to generate alpha in smaller caps is due to the inherent lower base of these companies and rapid growth opportunities.

Portfolio Construction of the Samco Multi Cap Fund and the Stock Selection Process



Portfolio Construction

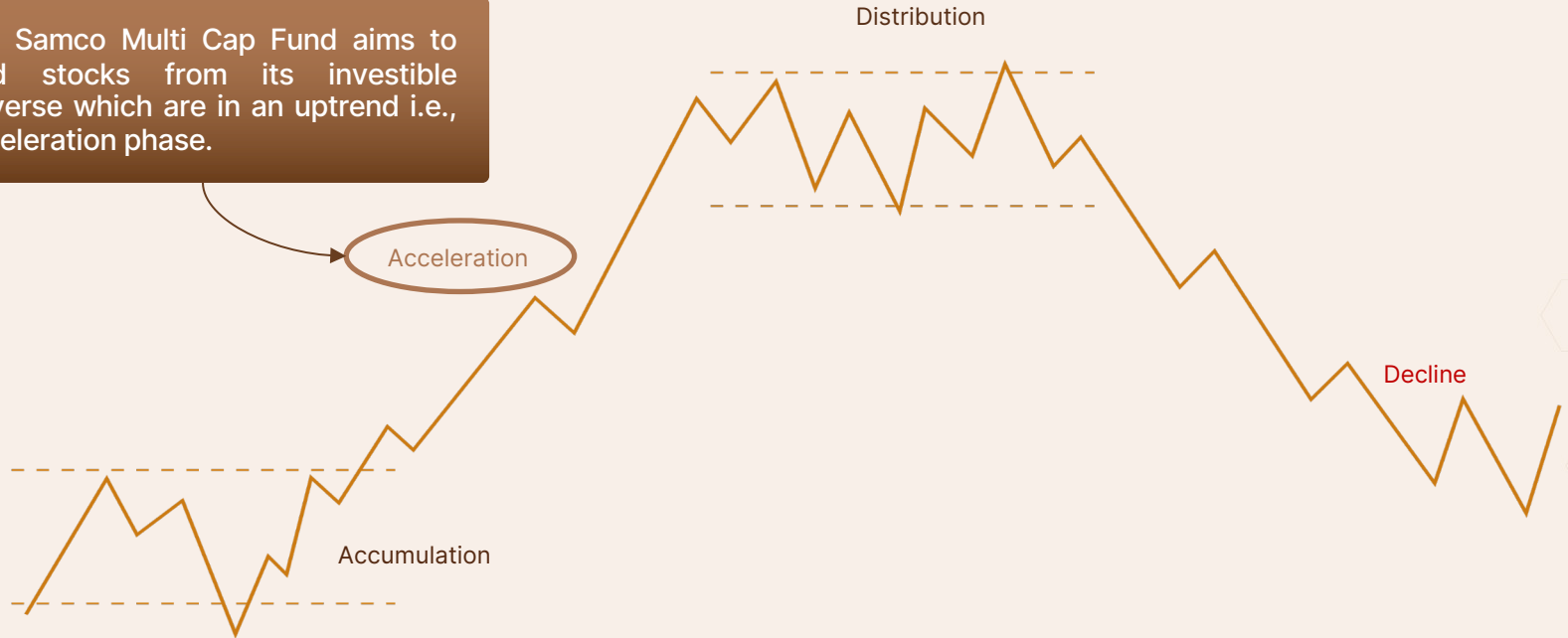
Proprietary Stock Selection Model using our trend, momentum & quality models

Balanced Position Sizing across Market Cap

Active Rebalancing during periods of downtrend

A stock typically goes through 4 Phases

The Samco Multi Cap Fund aims to hold stocks from its investible universe which are in an uptrend i.e., Acceleration phase.



Illustrative Conditions on how Samco's model works and identifies stage of a stock



Accumulation

- Price is above both the medium- and long-term moving averages.
- Slope of price averages starts moving up.
- A series of higher highs and higher lows has occurred.
- Large up weeks on volume spikes are contrasted by low-volume pullbacks.
- There are more up weeks on volume than down weeks on volume.



Uptrends

- The moving averages are now sloping upwards
- Volume spikes on big up days and big up weeks are contrasted by volume contractions during normal price pullbacks.
- There are more up days and up weeks on above-average volume than down days and down weeks on above-average volume.



Distribution

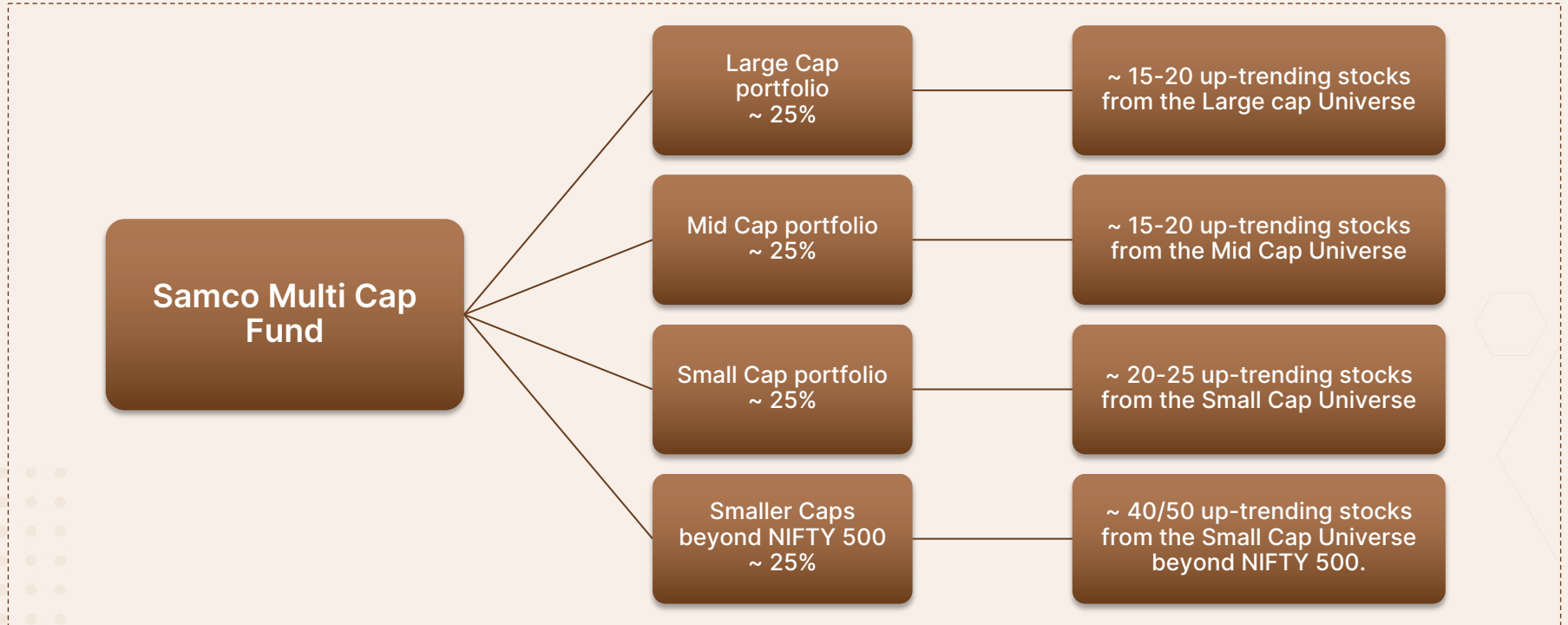
- Price undercuts medium- and longer-term moving averages
- Slope of averages flattens out
- Increase in underlying volatility with higher volatility on downsides
- Intercept of slope widens, and trend becomes unhealthy
- Price increasingly rolls over to the downside.



Downtrends

- Price < Averages
- The average slopes turn inverse
- Price is near or hitting 52-week new lows
- The stock price pattern is characterized as a series of lower lows and lower highs, stair-stepping downward.
- Volume spikes on big down days and big down weeks are contrasted by low-volume rallies.
- There are more down days and weeks on above-average volume than up days and up weeks on above-average volume

Portfolio construction & composition of the Samco Multi Cap Fund



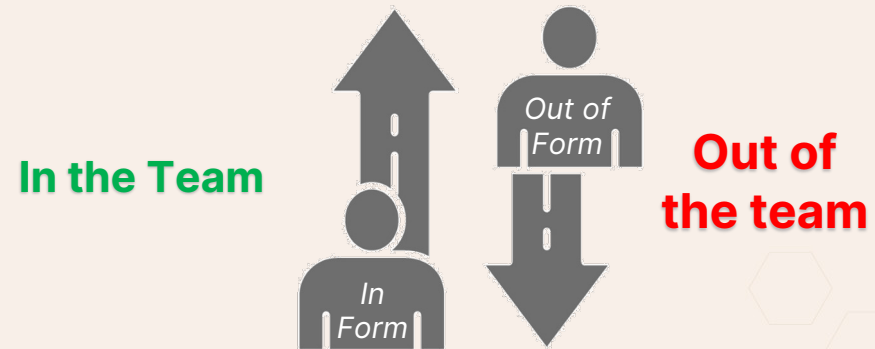
Large Cap: 1st - 100th company in terms of full market capitalization. **Mid Cap:** 101st - 250th company in terms of full market capitalization. **Small Cap:** 251st company onwards in terms of full market capitalization.

Active Rebalancing

Active rebalancing is an active investment process that involves regularly adjusting holdings based on performance assessments. It aims to optimize the portfolio by **removing underperforming stocks** and **reallocating capital to stronger opportunities**. This process considers both quantitative factors and qualitative factors. The goal is to enhance risk-adjusted returns and align the portfolio with evolving market conditions and investment objectives.

The strategy focuses on agile portfolio positioning based on changing market dynamics and availability of better opportunities.

Simply put, Active rebalancing means maintaining a team of players by picking players that are in form and dropping those that go out of form.




The Samco Multi Cap Fund follows an active rebalancing approach and in each market cap segment will keep rotating stocks that typically go out of form and replace them with stocks in uptrends i.e. in form

Robust Risk management with adaptive portfolio allocation



Holding companies in the Mid & Small cap segments can be riskier

When markets go through a downturn, mid and small cap companies tend to fall more than their large cap counterparts.

A large, solid brown arrow pointing downwards, indicating a flow from the first text box to the second.

Samco Multi Cap uses Active Rebalancing and hedging during periods of downtrend to mitigate this risk

Robust Risk Management to manage downside risk

The strategy aims to protect the downside risk of the portfolio by incorporating effective hedging measures and allocating the capital towards measures like arbitrage/debt instruments

During Steady Market Conditions



A Equi-weighted portfolio across Large, Mid, Small and Smaller Companies

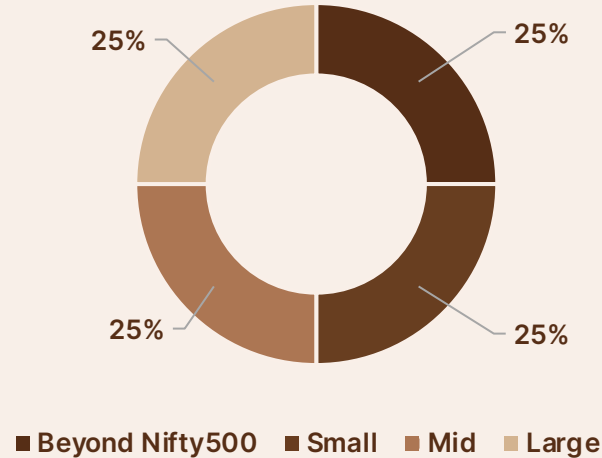
During periods of downtrend



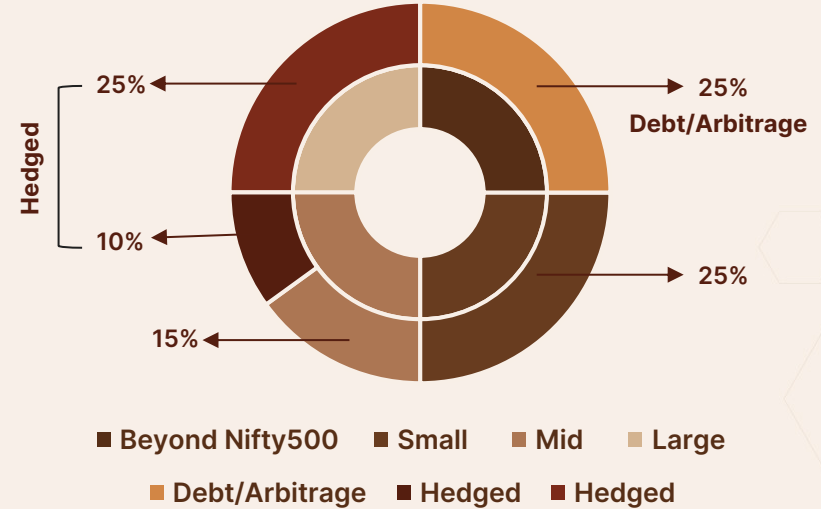
A portfolio with effective hedging strategies, arbitrage/ debt exposure and no allocation towards smaller companies

Adaptive Portfolio Allocation

During Normal Market Conditions



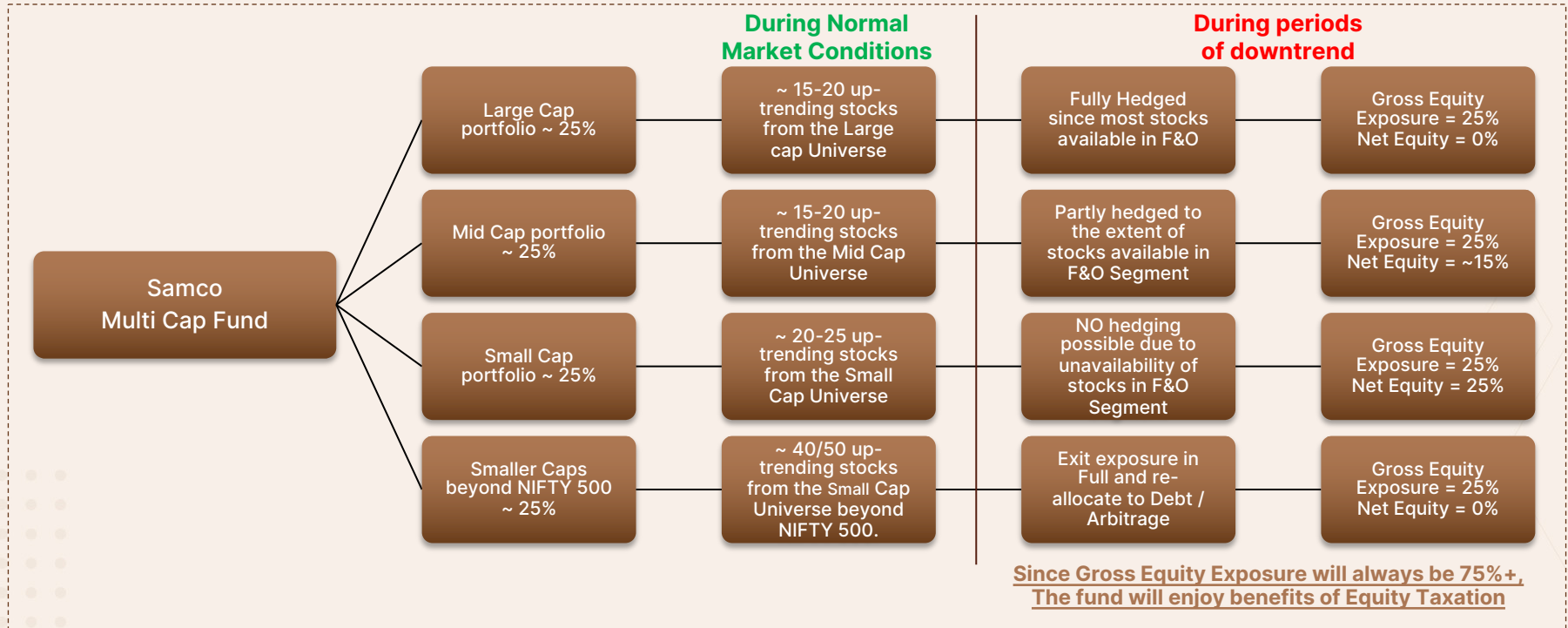
During periods of downturn



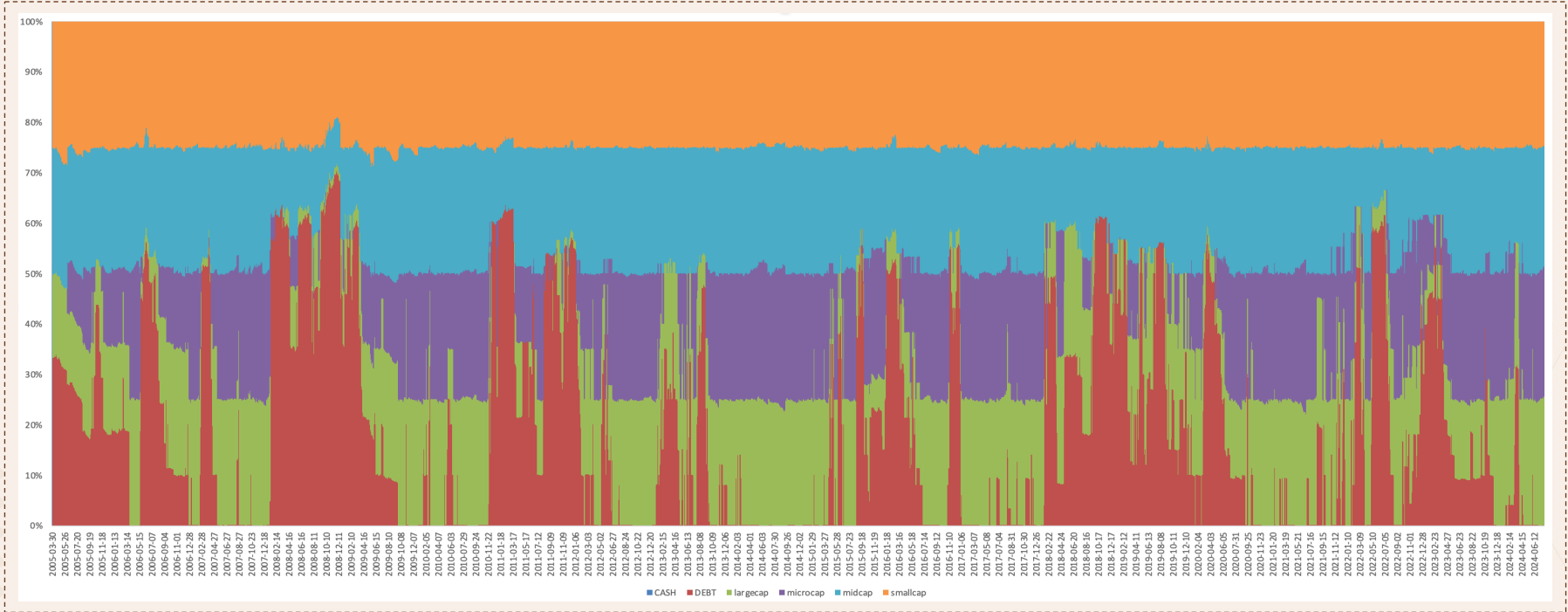
During periods of downturns - the strategy aims to protect the downside risk of the portfolio by incorporating effective hedging measures and allocating capital towards arbitrage/debt instruments.

Note: The portfolio positioning data for periods of downturn is for explanatory purposes and the actual outcome may vary depending upon market dynamics.

Portfolio construction & composition of the Samco Multi Cap Fund during periods of downtrends in markets

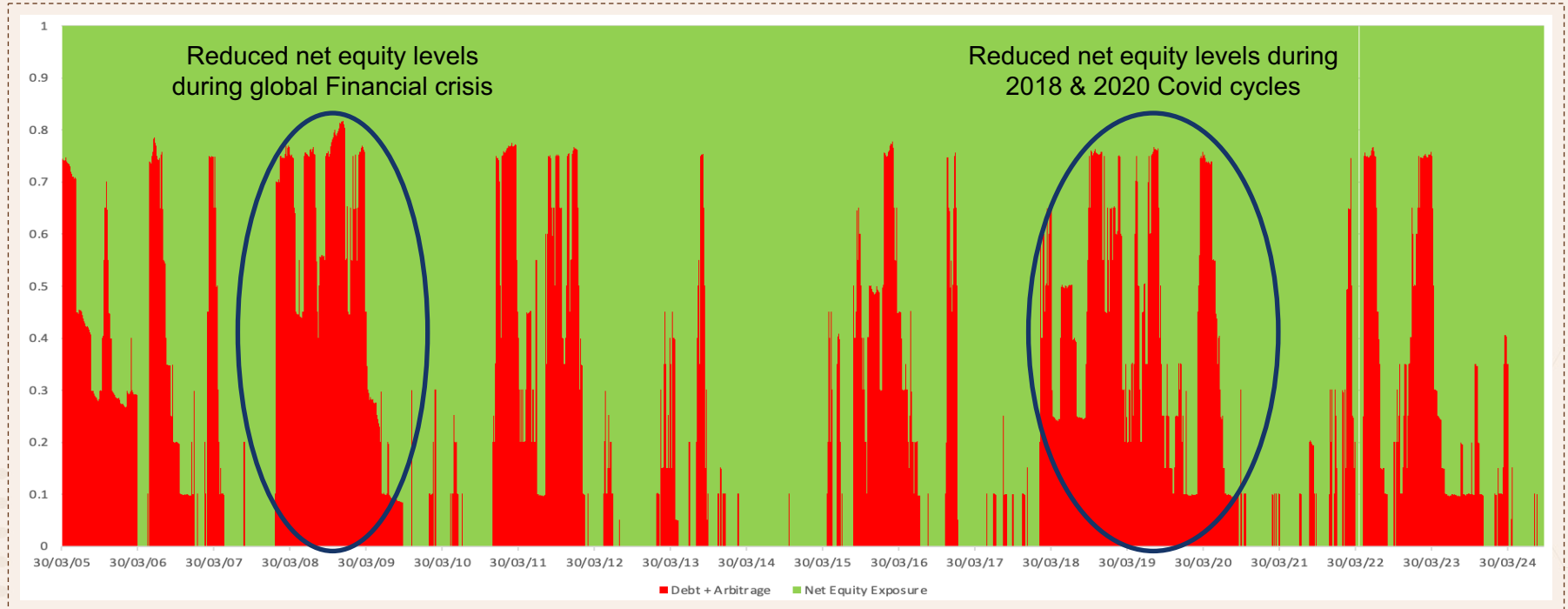


Samco Multi Cap Model Market Cap Allocations over time



Simulated data is used for the purposes of explanation of the concept. Backtested, hypothetical or simulated performance results have inherent limitations. Past hypothetical backtest results are neither an indicator nor a guarantee of future results. Actual results shall vary from analysis. Samco makes no representation or warranty, either expressed or implied regarding future performance.

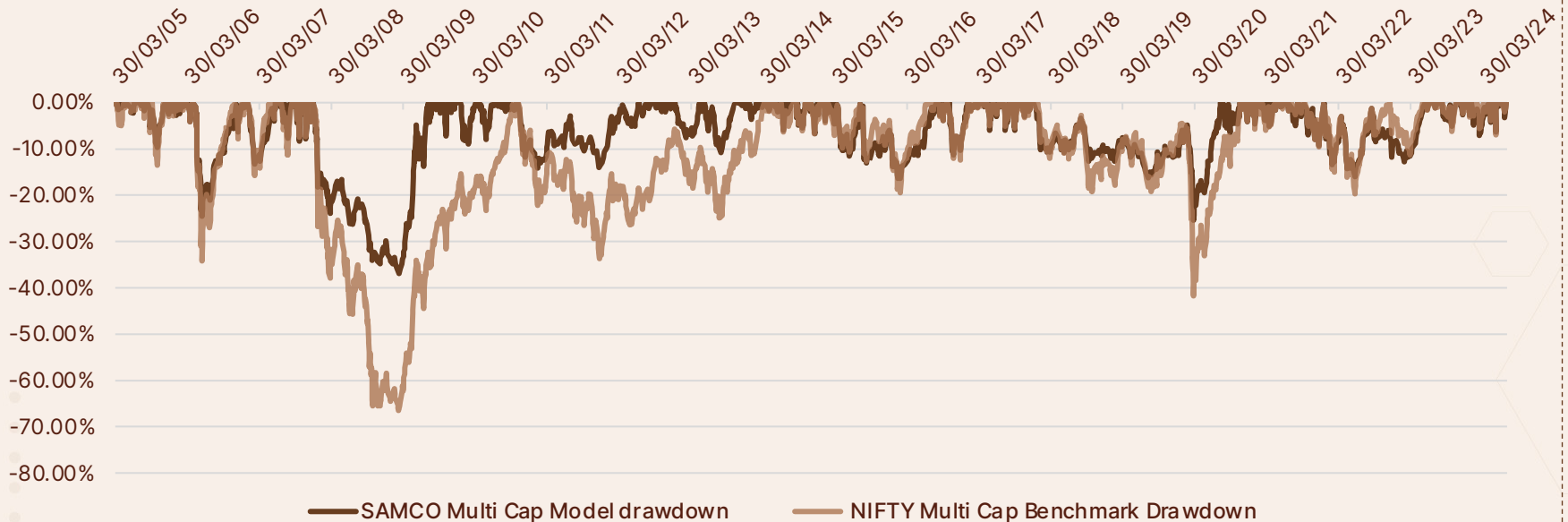
Net Equity Exposure across market cycles using dynamic hedging



An illustration based on Samco Multi Cap's back tested model. Simulated data is used for the purposes of explanation of the concept. Back tested, hypothetical or simulated performance results have inherent limitations. Past hypothetical back test results are neither an indicator nor a guarantee of future results. Actual results shall vary from analysis. Samco makes no representation or warranty, either expressed or implied regarding future performance.

The Dynamic approach is designed to reduce drawdowns

Samco Multi Cap Model vs Benchmark Drawdown

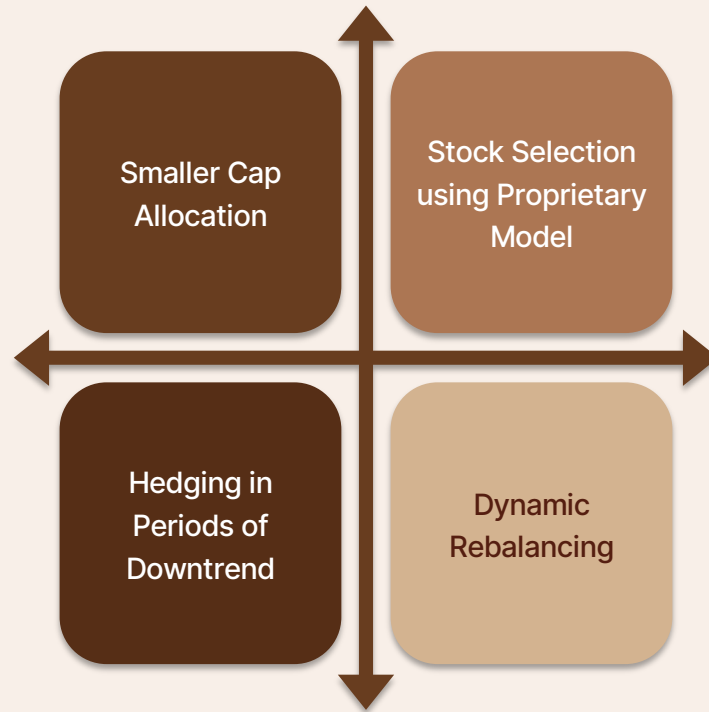


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Samco Multi Cap Fund Highlights

Sources of Alpha Generation for Samco Multi-Cap Fund



4 Reasons to Invest to invest in the Samco Multi Cap Fund

1

Unique 4-in-1 strategy

Samco Multi Cap Fund provides a unique 4-in-1 approach, allocating 25% equally across Large-caps, Mid-caps, Small-caps, and Small caps beyond NIFTY 500.

2

Dynamic Strategy

The fund uses real time re-allocation using hedging to dynamically adjust the portfolio, ensuring that it remains aligned with market conditions.

3

Proprietary Stock selection algorithm

The fund uses a proprietary algorithm to select stocks with strong momentum and positive trends aiming for potential high returns.

4

Robust Risk Management

Through a diversified portfolio, hedging and tactical asset allocation, the fund effectively manages risks, making it resilient against market volatility



Fund Management Team

Executive Director, CIO & Fund Manager

Umeshkumar Mehta

Qualification: B. Com, CA, PGDBA

Brief Experience: Mr. Umeshkumar Mehta has over 25 years of experience in Indian Capital Markets. His role involves overseeing investment strategies and managing assets across diverse portfolios. He has profound knowledge of financial markets, believes in data driven approach to investments and draws lessons from financial markets histories. He used to lead the Samco group's Research team. He has been associated with the group for the last fifteen years. He is an CA and MBA by qualification.





Fund Manager & Head – Research Equity

Paras Matalia

Qualification: B.Com, CA

Brief Experience: Paras Matalia has an overall experience of nearly 9 years with about 6 years in capital markets. He is the Head of Equity Research and Fund Manager for Samco Mutual Fund where he has played pivotal role in analyzing investments and construction of the fund portfolio. He has been crucial in the creation of the proprietary tech frameworks which does periodic scenario analysis on fundamentals as well as trend of thousands of companies. Being techsavvy he has a strong understanding of how to leverage technology to improve the investment and portfolio management prowess. He started his career as an equity research analyst for creating StockBasket portfolios (A long-term thematic research and investment platform) and then went on to Head the StockBasket business unit. He was also a key member in developing the stock rating matrix and MosDex algorithms (that rates and ranks Indian listed stocks) with Samco Securities. He is an expert on creating rules based investing and fundamental analysis. He is also passionate about understanding business strategies and creating algorithms to identify price patterns. He is a qualified Chartered Accountant and has done his bachelor's from R. A. Podar College of Commerce and Economics.

Dedicated Fund Manager for overseas investments

Dhawal G. Dhanani

Qualification: B.Com., C.A

Brief Experience: Mr. Dhawal Ghanshyam Dhanani started out as an equity research analyst at Samco Securities Ltd. He has over 5 years of work experience with more than 2 years spanning capital markets and investment research and has been known for in-depth examination into the business models and computational crux of varied Indian companies. His multi-disciplinary approach and working knowledge of fundamentals have aided the prime objective of guiding investors through insightful ideas for the long term



Scheme Features



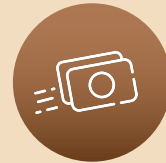
Benchmark

NIFTY 500 Multi Cap
50:25:25 Total Returns
Index



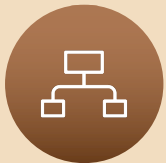
Minimum Application Amount

Rs. 5,000 and in multiples
of ₹1/- thereafter



Minimum SIP Amount

Rs. 500 and in multiples
of ₹1/- thereafter



Plans


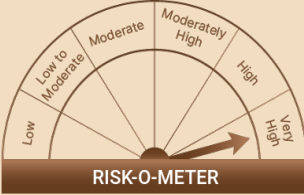
Regular Plan - Growth &
Direct Plan - Growth



Exit Load

10% of units can be redeemed without an exit load within 12 months of allotment. Any redemption more than such limit in the first 12 months will incur 1% exit load. No exit load, if redeemed or switched out after 12 months from the date of allotment of unit.

Product Label & Risk-o-meter

Scheme Name	This Product is Suitable for Investors Who Are Seeking	Risk-o-meter of the Scheme	Primary Benchmark Name	Risk-o-meter of the Benchmark
<p>Samco Multi Cap Fund</p> <p>(An open-ended scheme investing across large cap, midcap and small cap stocks)</p>	<ul style="list-style-type: none"> • Long-term capital appreciation; • A fund that invests predominantly in equity and equity related securities across large cap, midcap and small cap stocks. <p>*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.</p>	 <p>RISK-O-METER</p> <p>Investors understand that their principal will be at very high risk</p>	<p>NIFTY 500 Multi Cap 50:25:25 Total Returns Index</p>	 <p>RISK-O-METER</p> <p>Benchmark risk-o-meter(NIFTY 500 Multi Cap 50:25:25 Total Returns Index) is at very high risk</p>

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Disclaimers

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