

**SMALL
BY NAME**
LARGE BY POTENTIAL



Turn to reveal

5 Year Rewind: 2019 vs 2024



New Thresholds

2019

	Rank	Scrip Name	Avg. Total Market Cap (Rs. Cr.)
Large Cap	1	Largest Large Cap Company	8.1 Lakh
	100	Smallest Large Cap Company	28.92 K
Mid Cap	101	Largest Mid Cap Company	27.45 K
	250	Smallest Mid Cap Company	8.8 K
Small Cap	251	Largest Small Cap Company	8.8 K
	500	500 th Small Cap Company	2.3 K

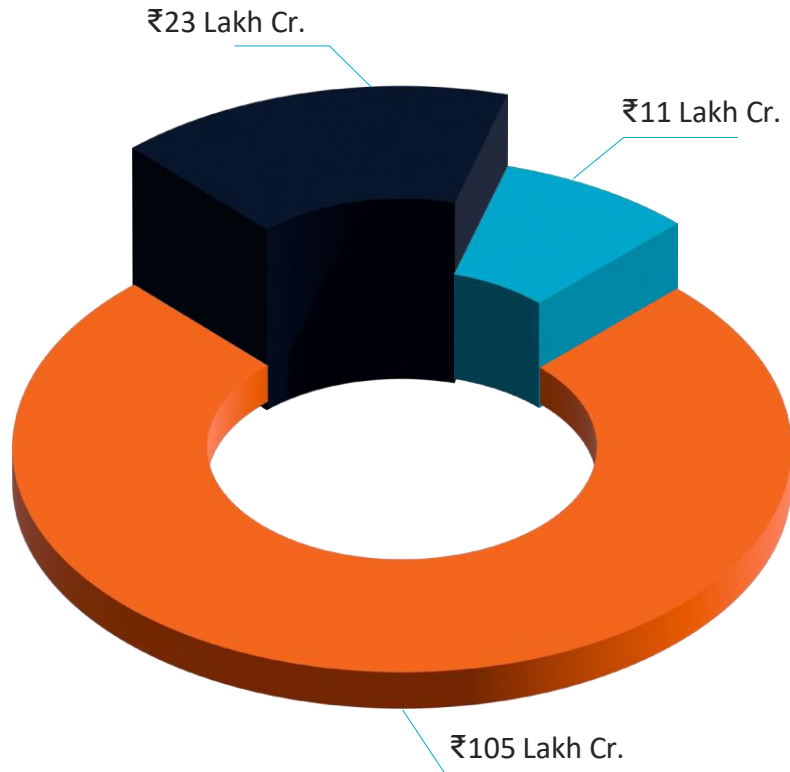
2024

	Rank	Scrip Name	Avg. Total Market Cap (Rs. Cr.)
Large Cap	1	Largest Large Cap Company	18.97 Lakh
	100	Smallest Large Cap Company	1.0 Lakh
Mid Cap	101	Largest Mid Cap Company	99.5 K
	250	Smallest Mid Cap Company	33.2 K
Small Cap	251	Largest Small Cap Company	32.8 K
	500	500 th Small Cap Company	11.3 K

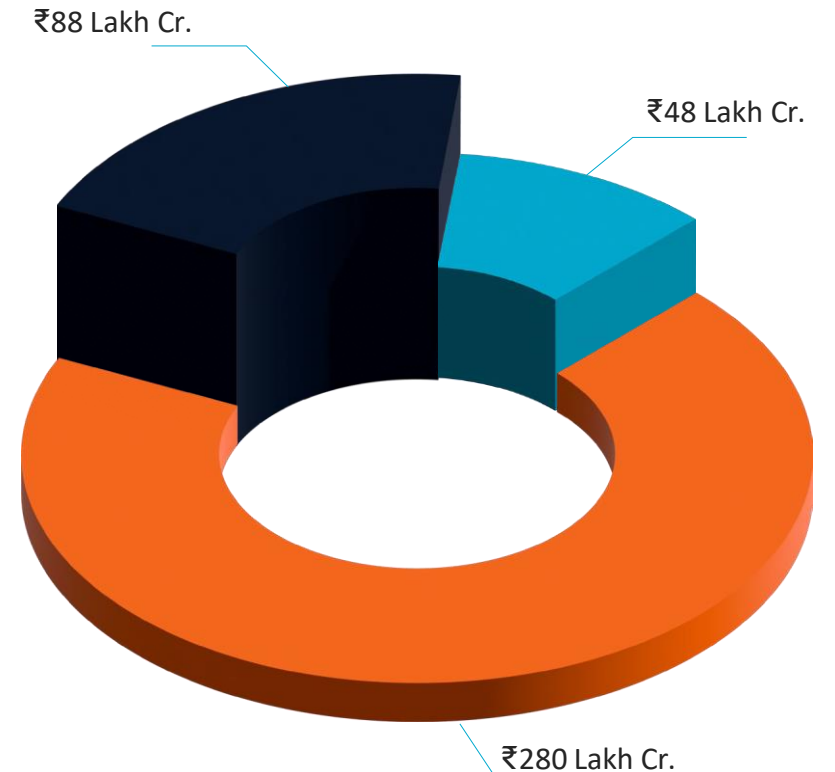
Smallest small cap's market cap in 2024 exceeds Largest small cap of 2019

Growth in Market Caps

Total Market Cap in 2019



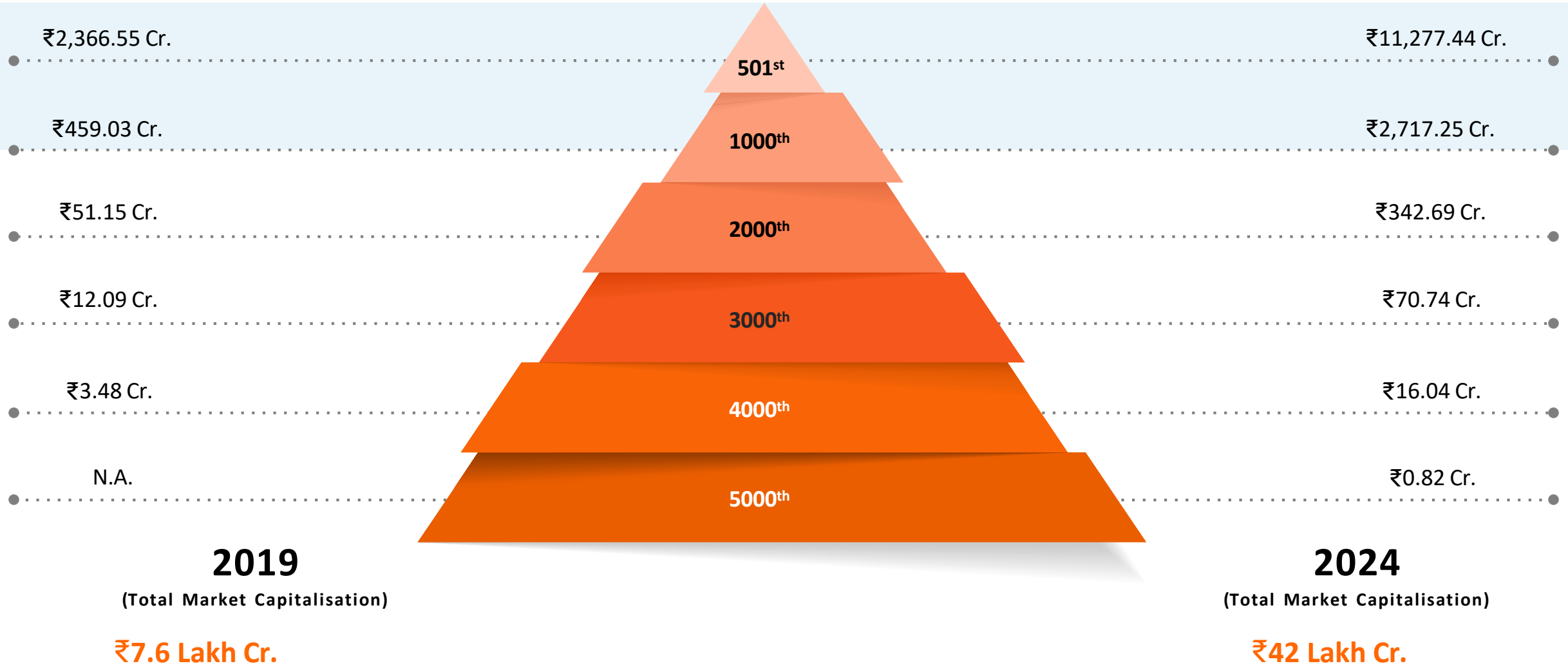
Total Market Cap in 2024



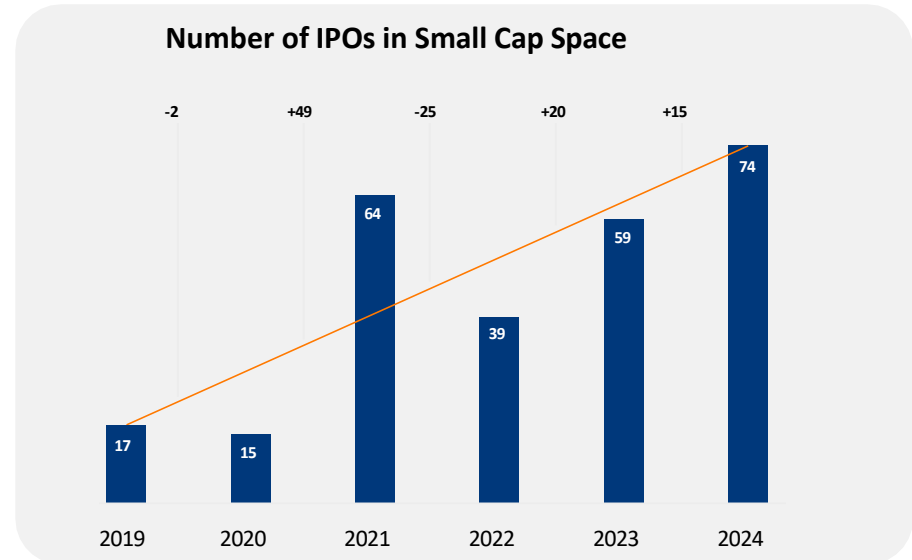
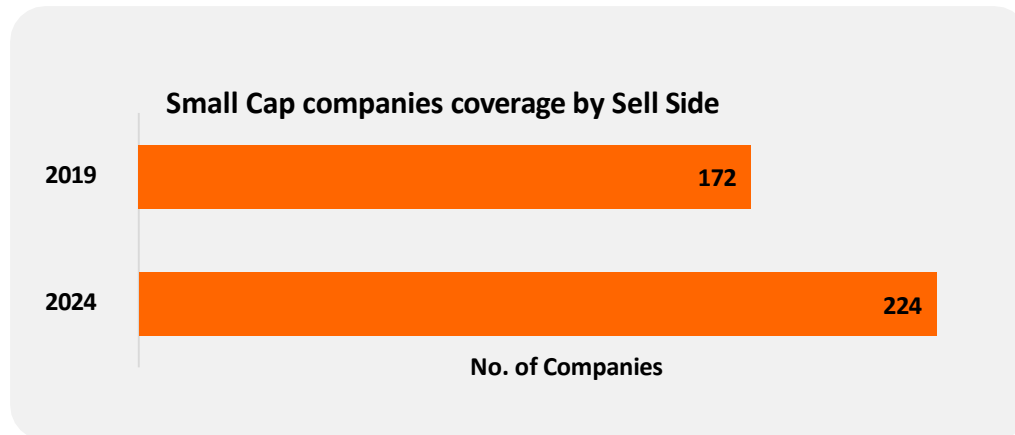
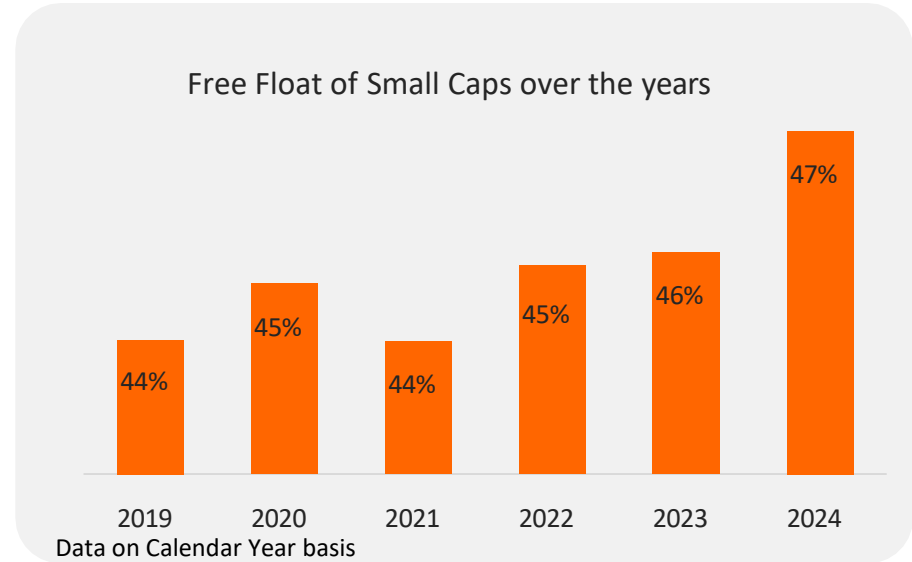
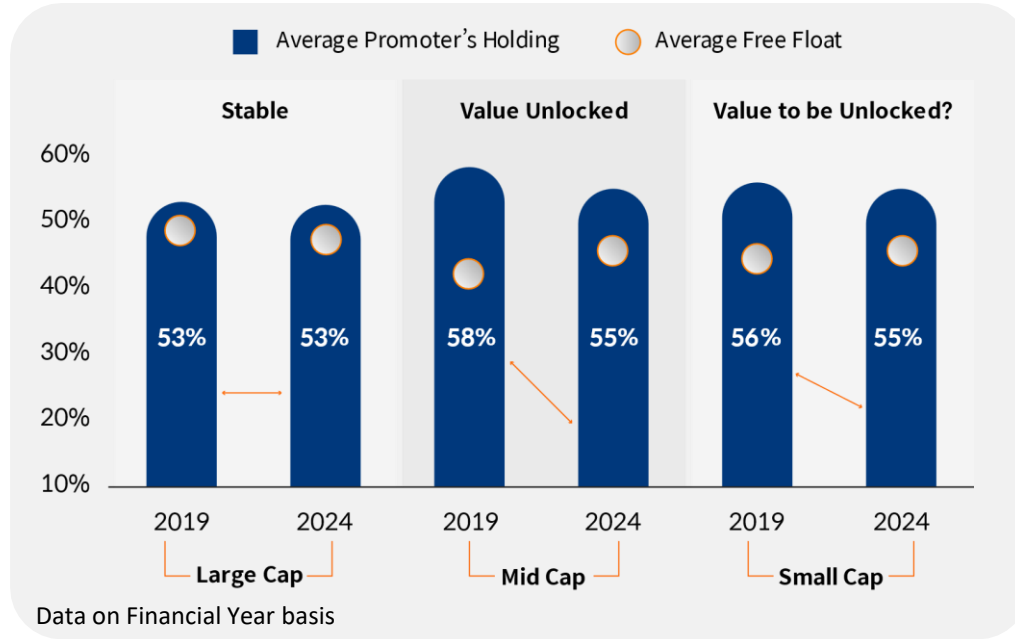
Market Caps	CAGR Growth
Large Cap	22%
Mid Cap	31%
Small Cap	34%

The mid & small cap space registered a higher growth in last 5 years

Beyond 500: Sea of Opportunities

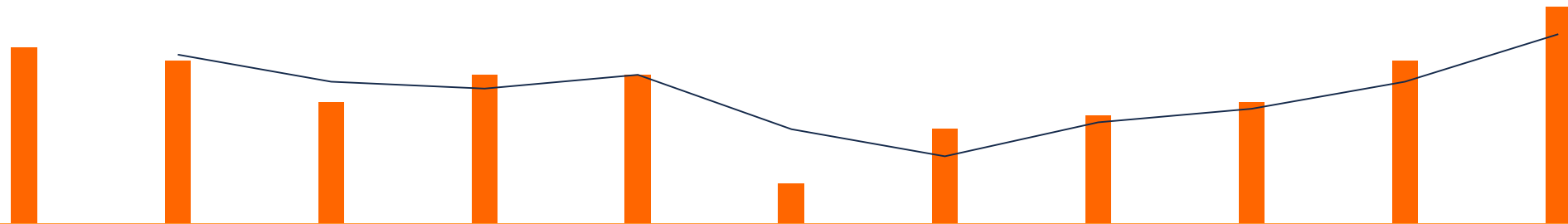
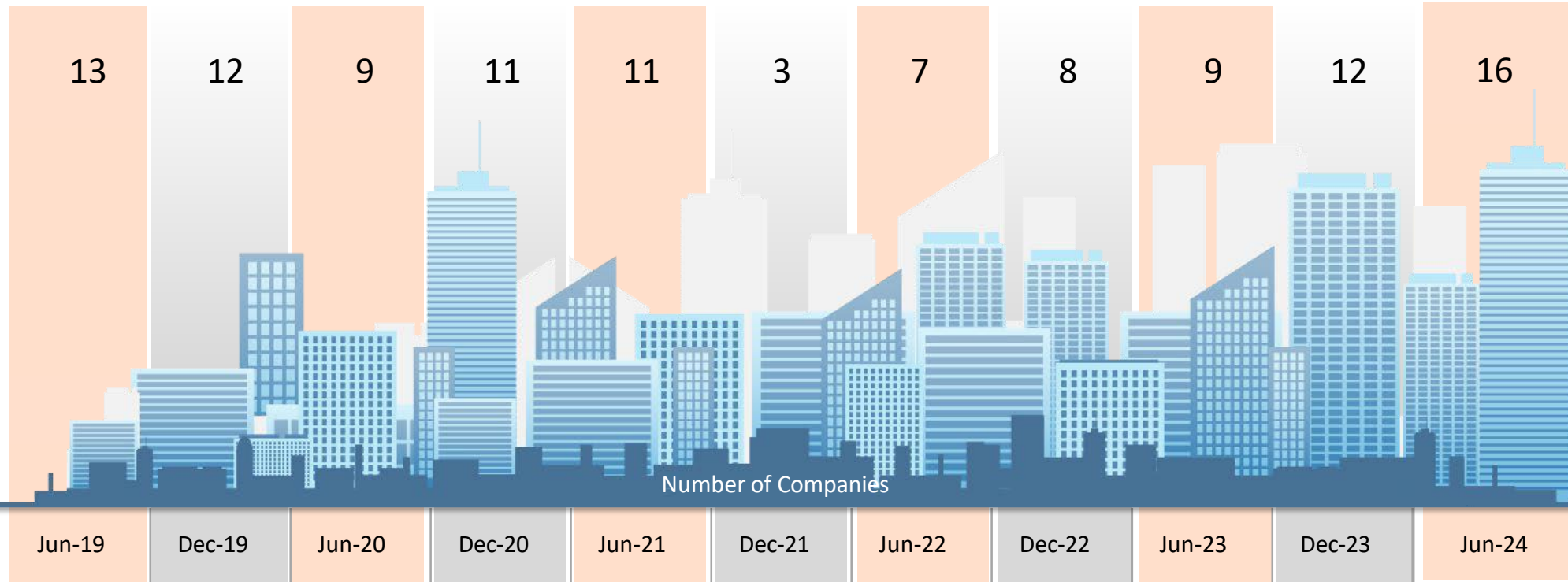


Liquidity & Skin in the Game



Source: Mirae Asset Internal Research, Bloomberg, Data as on 31st Dec 2024

Trend in Upgradation from Small to Mid Caps



54 companies moved from Small Cap to Mid Cap between 2010-15 vs 86 companies between 2020-24

Growth of Sectors within Small Cap Space

	2019 Market Cap (in ₹Cr.)	CAGR	2024 Market Cap (in ₹Cr.)
Telecom (Services)	3,424	71%	49,885
Oil & Gas	7,241	55%	64,843
Aerospace & Defence	6,899	50%	51,849
IT - Services	11,085	47%	76,003
Commercial Services & Supplies	16,085	41%	88,154
Healthcare Services	34,478	35%	152,930
Leisure Services	32,553	32%	129,000
Consumer Durables	66,881	32%	264,715
Industrial Products	131,037	25%	403,504

CAGR: Compounded annual growth rate. Latest Data as on 31st Dec 2024, Source: AMFI Market Capitalization as on 31st Dec 2024 & 30th June 2019. Disclaimer: The sector(s)/stock(s)/issuer(s) mentioned in this image do not constitute any research report/recommendation of the same and the Fund may or may not have any future position in these sector(s)/stock(s)/issuer(s). The industry classification is as per AMFI categorization

5 Year Rewind: Summary

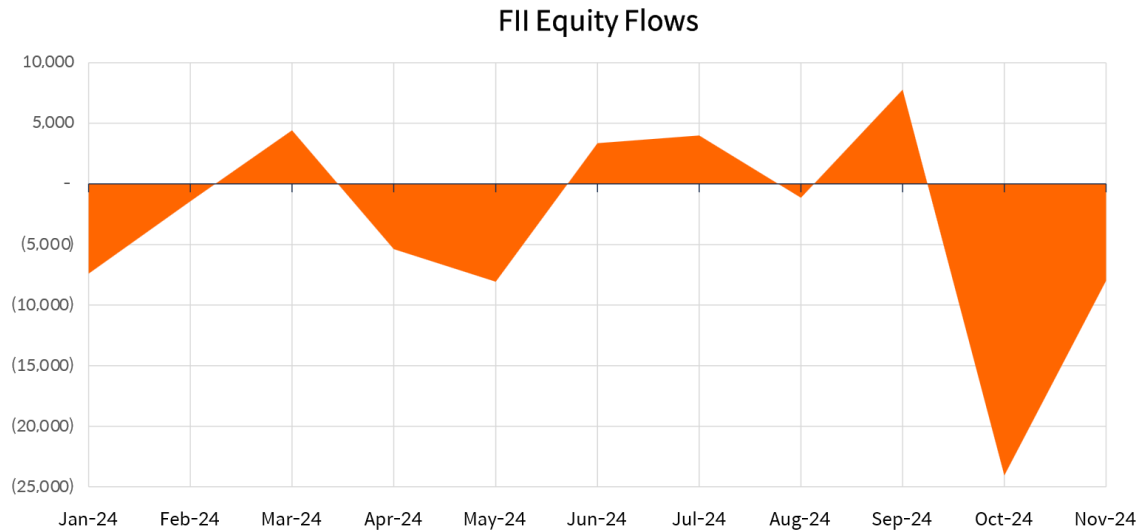


Why Small Cap Now?

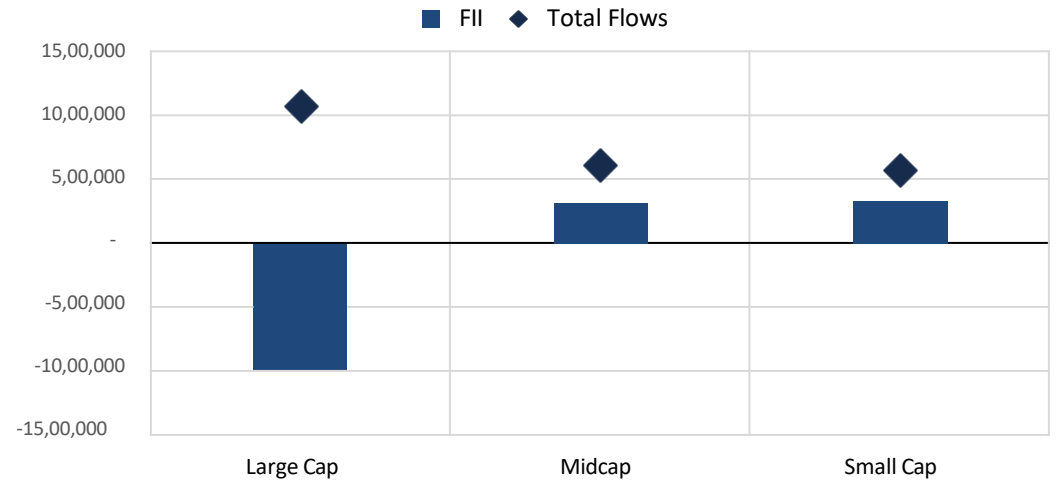


Foreign Institutional Investors: Rebalancing Portfolios?

In 2024, mid Sept-24 to Nov-24, saw maximum FII outflows

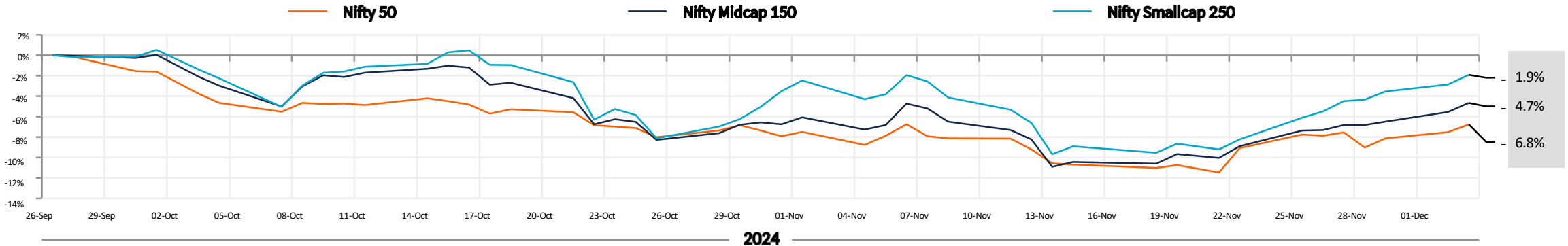


On a closer look, Large Cap saw maximum outflows while Mid & Small caps saw inflows.



Indices Used: NSE100: Nifty 100 Index, Mid Cap 150: Nifty Mid C ap 150 Index, Small Cap 250: Nifty Small Cap 250 Index. The data shown above pertains to the Index. Past performance may or may not sustain in future. Data from 01 Jan 2024 to 30 Nov 2024. FII: Foreign Institutional Investors.

During same time period, Small caps saw least drawdown in returns!



Source: Bloomberg, Latest Data as on 31st Dec 2024. Past performance may or may not sustain in future.

Small Caps: Maximum Industry Representation

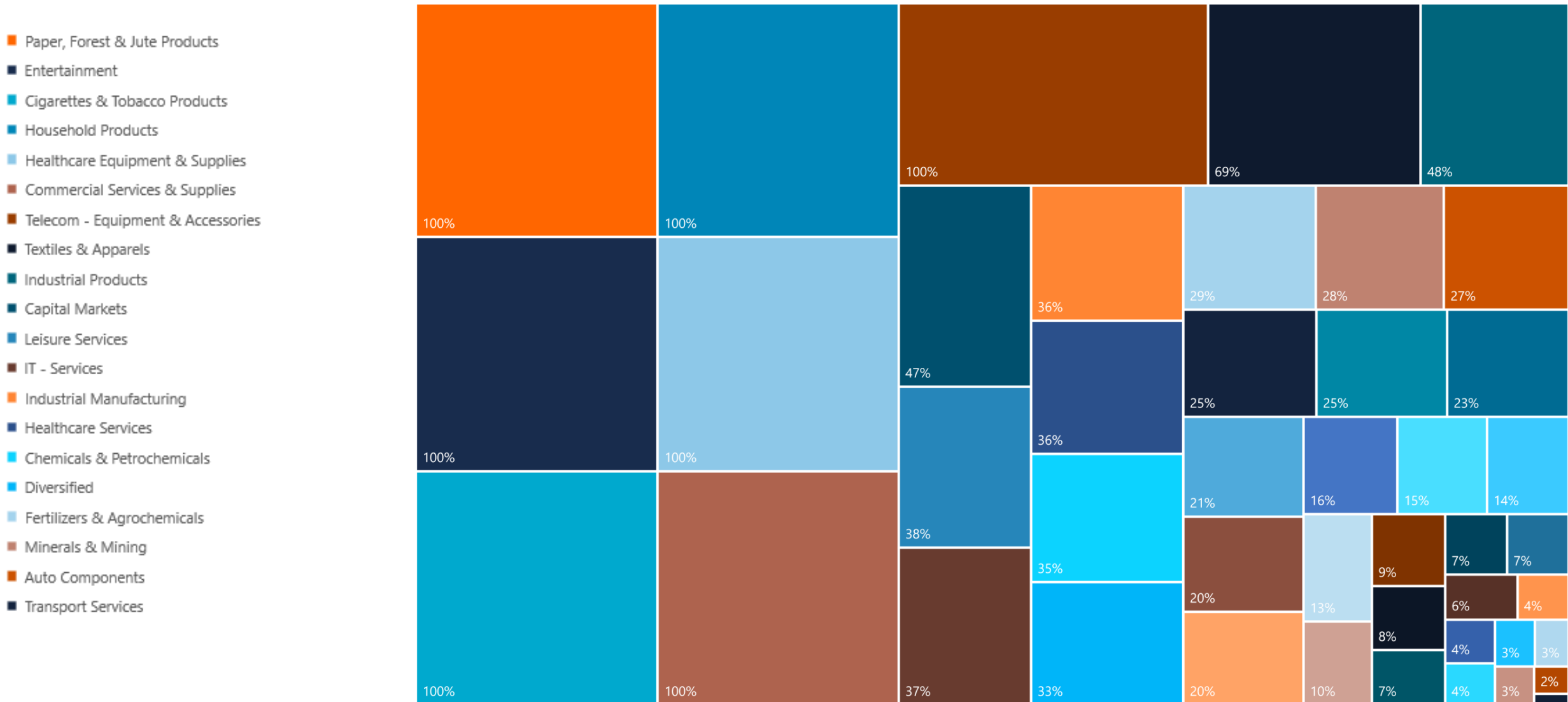
AMFI Industry Classification of Nifty 500 Index Companies

	Macro Economic Sector	Sector	Industry	Basic Industry
Large Cap	11	17	33	51
Mid Cap	12	19	39	71
Small Cap	12	21	44	95
Total	12	21	51	124

Range	Examples of Industry distribution among market caps	Weightage (in %)			
		Large Cap	Mid Cap	Small Cap	
100% to 60%	Paper, Forest & Jute Products	0%	0%	100%	Availability of Niche Businesses
	Entertainment	0%	0%	100%	
	Cigarettes & Tobacco Products	0%	0%	100%	
	Household Products	0%	0%	100%	
	Healthcare Equipment & Supplies	0%	0%	100%	
	Telecom - Equipment & Accessories	0%	0%	100%	
	Textiles & Apparels	0%	31%	69%	
60% to 30%	Industrial Products	24%	28%	48%	Lesser Skewness
	Capital Markets	0%	53%	47%	
	Leisure Services	0%	62%	38%	
	IT - Services	0%	63%	27%	
	Industrial Manufacturing	0%	64%	36%	
	Healthcare Services	0%	64%	36%	
30% & Below	Fertilizers & Agrochemicals	0%	71%	29%	Lesser Skewness
	Minerals & Mining	0%	72%	28%	
	Auto Components	23%	50%	27%	
	Transport Services	56%	18%	25%	
	Pharmaceuticals & Biotechnology	49%	29%	21%	
	Insurance	76%	18%	0%	
	Oil	80%	20%	0%	

Source: AMFI Market Capitalization as on 31st Dec 2024, Data as on 31st Dec 2024. The sector(s)/stock(s)/issuer(s) mentioned in this image do not constitute any research report/recommendation of the same and the Fund may or may not have any future position in these sector(s)/stock(s)/issuer(s).

Small Caps: Presence of 44 Industries

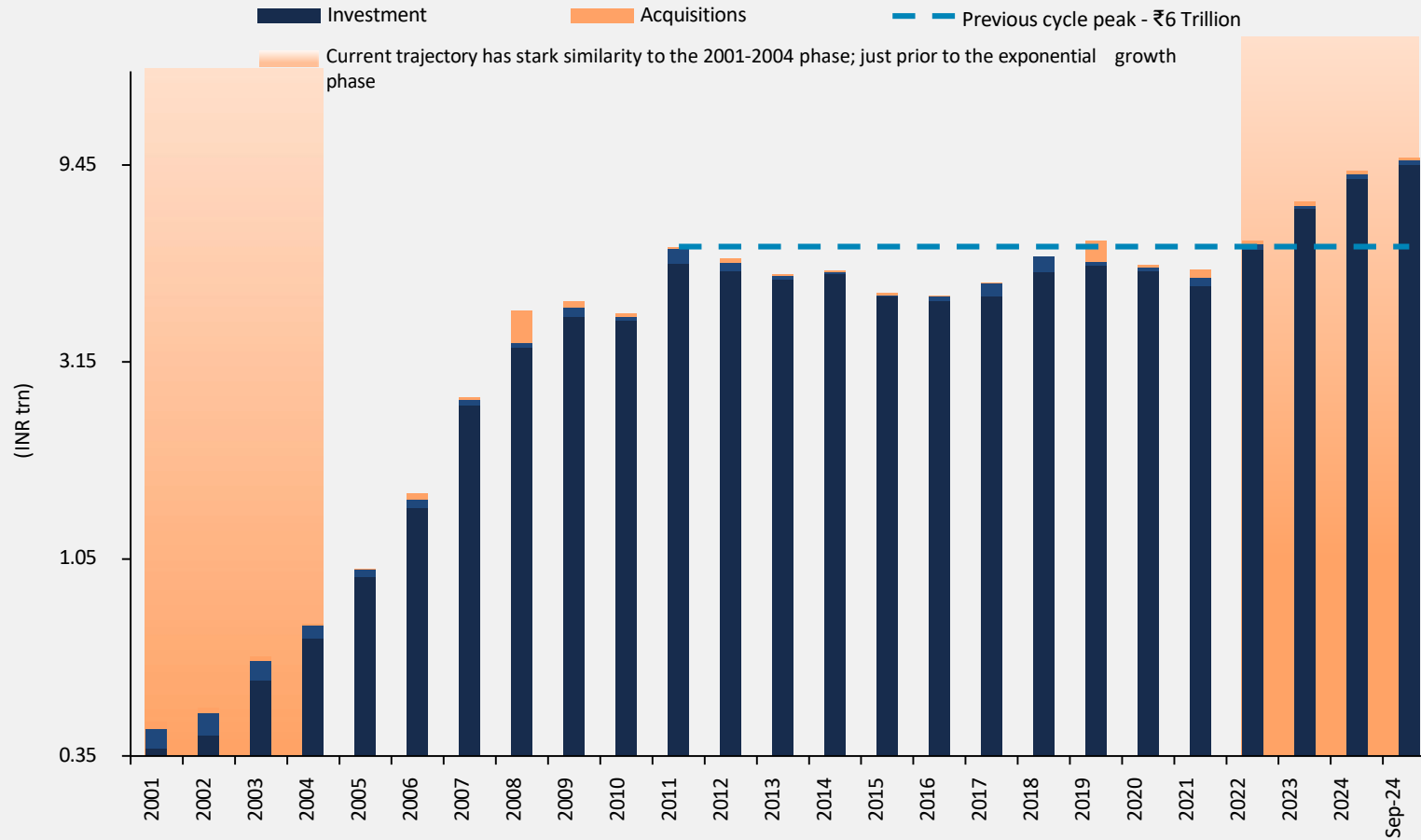


Source: AMFI Market Capitalization as on 31st Dec 2024, Data as on 31st Dec 2024. Index Used: Nifty 500 Index, The industry classification is as per AMFI categorization

Small Caps: 36 Unique Basic-Industries



Potential revival of Capex cycle



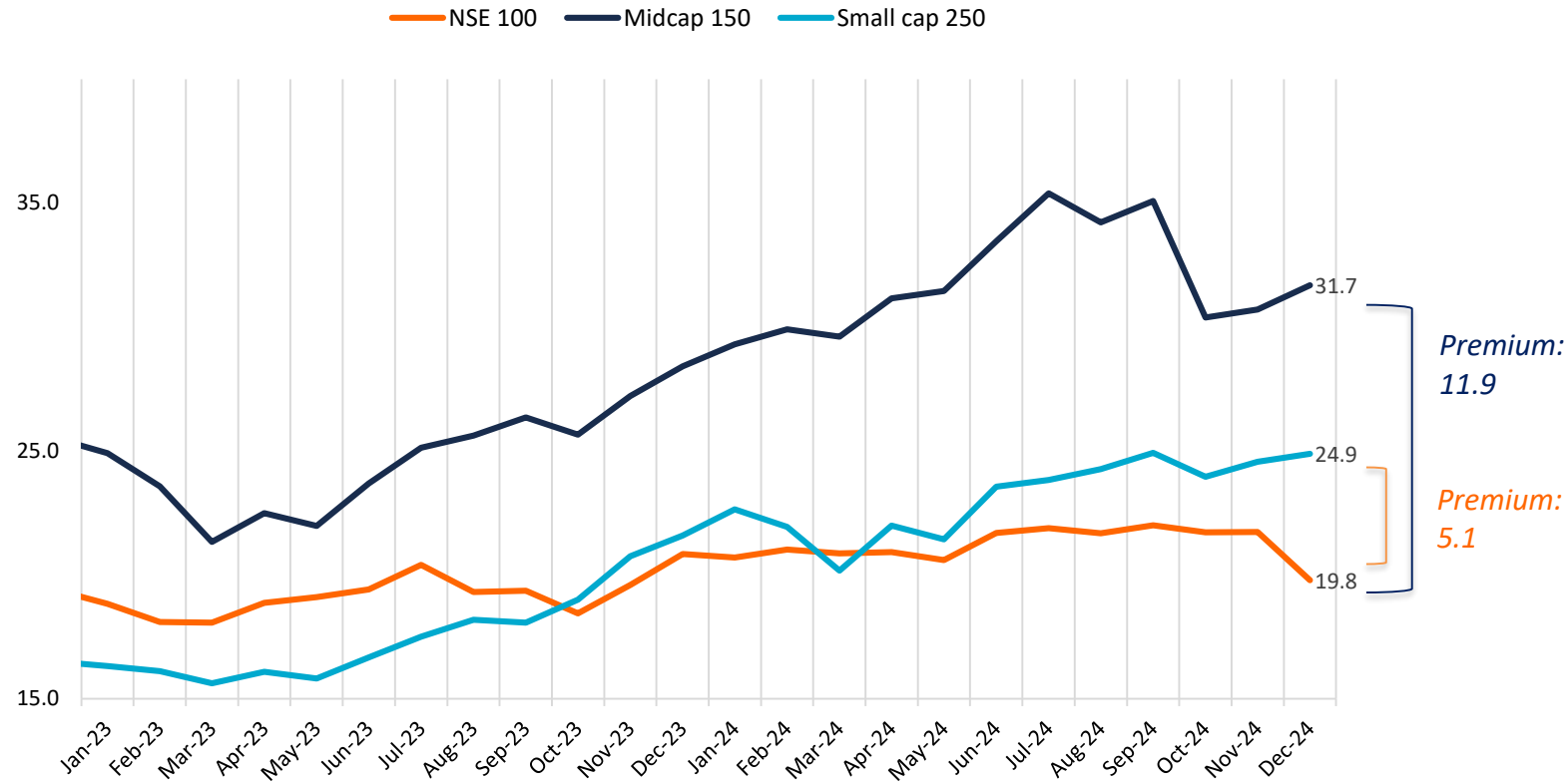
Source: ICICI Securities, Data on Financial year basis, Latest Data as on 31st Dec 2024

Capex oriented Sectors	No. of companies (out of Nifty 500 Index)		
	Large Cap	Mid Cap	Small Cap
Capital Goods	7	20	40
Construction	2	1	11
Construction Materials	3	4	2
Metals & Mining	6	6	7
Power	8	4	4
Real Estate	2	4	5
Total	28	39	69

Source: AMFI, Data as on 31st Dec 2024

Investment Opportunities : Valuation View

1Y Fwd PE (x) of Large, Mid & Small Cap Indices

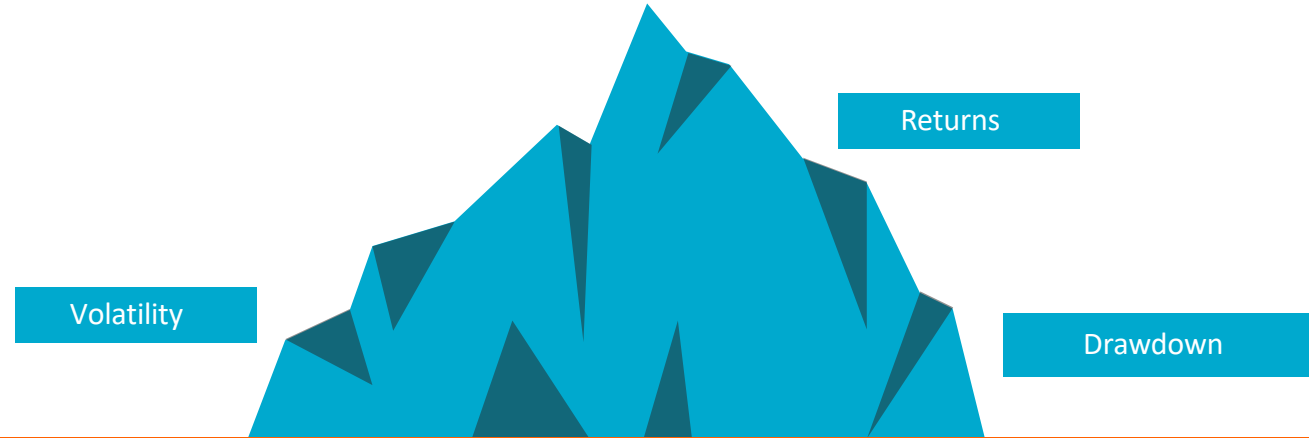


Earning per Share (EPS)	FY19	FY24	FY26e	5Y CAGR FY19 – FY24
Nifty Large Cap 100	472	952	1167	15%
Nifty Mid Cap 150	182	603	693	27%
Nifty Small Cap 250	121	495	736	33%

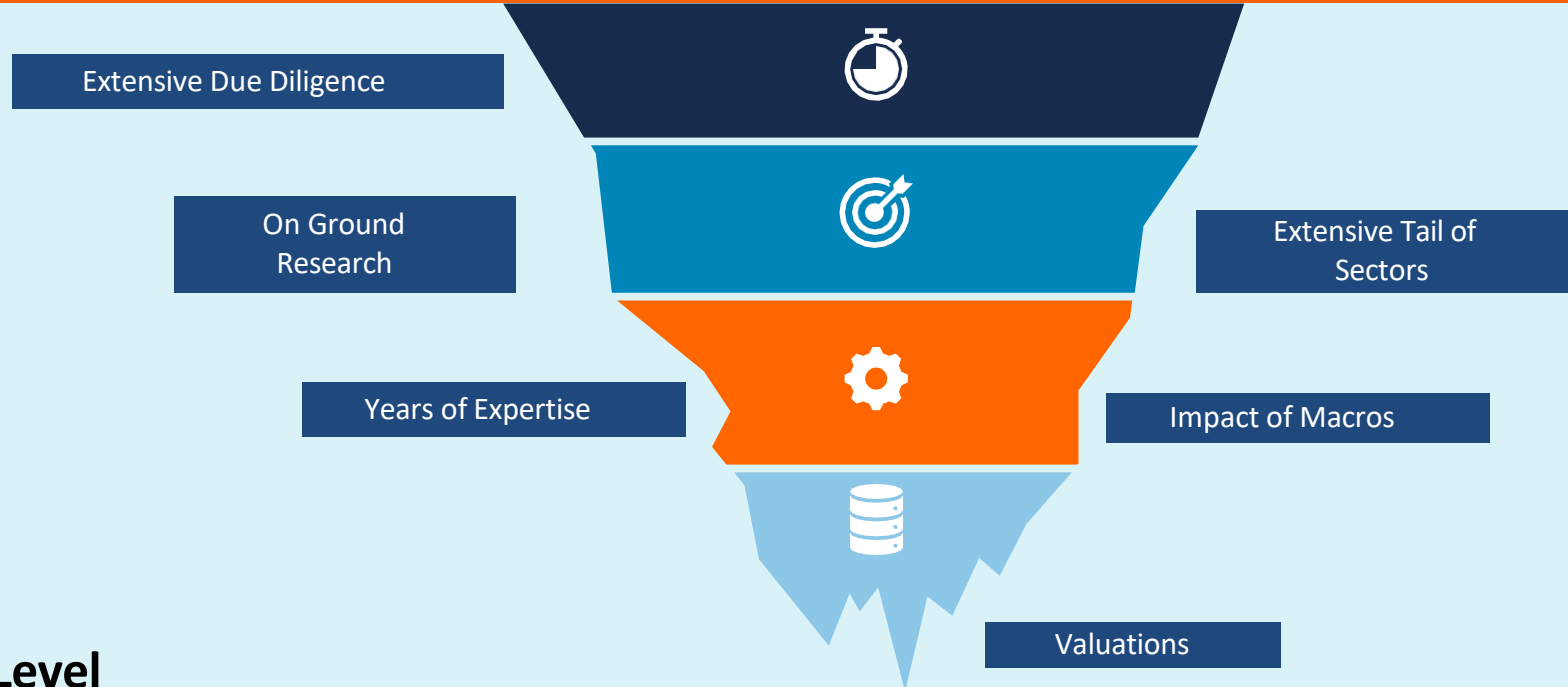
Case for Small Caps: Relatively higher Earnings & Moderate Valuations

Small Caps: What you see is tip of the Iceberg!

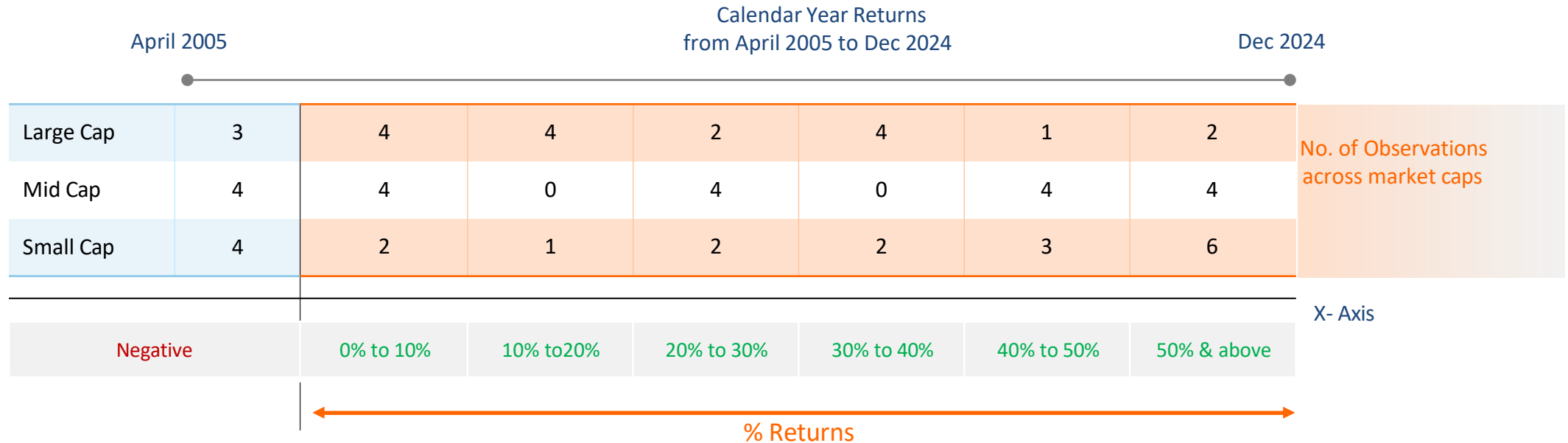
The Visible Level



The Hidden Level



Potential Long Term Wealth Creator



How to Read the Chart?

Nifty Small Cap 250 TRI Index delivered returns between 30% to 40% twice/two times since Apr 2005 to Dec 2024.

The index delivered positive returns 16 out of 20 years.

Small Caps: 20% times negative returns vs 80% times positive returns

Staggered way to unlock long-term potential

Index movement of Nifty Small Cap 250 - TRI



Source: Mirae Asset Internal Research Bloomberg, Data as on 31st Dec 2024, Indices used: Midcap: Nifty Midcap 150 Index, Small Cap: Nifty small cap 250 Index. Illustration assumption: SIP being done at the start of every month. XIRR: Extended Internal Rate of Return. Past performance may or may not sustain in future

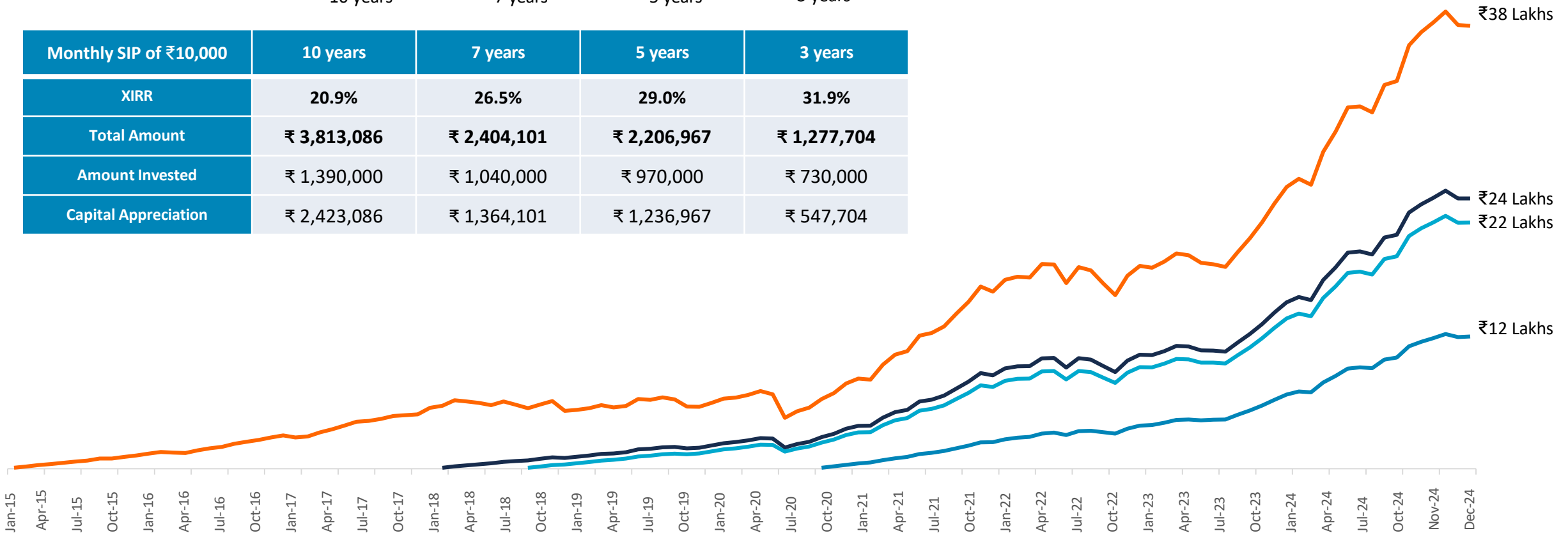
Staggered way to unlock long-term potential: SIP

Back Tested: Above 20% returns across time periods

Index used: Nifty Small Cap 250 TRI

10 years 7 years 5 years 3 years

Monthly SIP of ₹10,000	10 years	7 years	5 years	3 years
XIRR	20.9%	26.5%	29.0%	31.9%
Total Amount	₹ 3,813,086	₹ 2,404,101	₹ 2,206,967	₹ 1,277,704
Amount Invested	₹ 1,390,000	₹ 1,040,000	₹ 970,000	₹ 730,000
Capital Appreciation	₹ 2,423,086	₹ 1,364,101	₹ 1,236,967	₹ 547,704



**SMALL
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Invest In
**Mirae Asset
Small Cap Fund**

(An open-ended equity scheme predominantly
investing in small-cap stocks)

NFO Start Date: 10th January 2025

NFO End Date: 24th January 2025

Scheme re-opens for continuous

Sale and Repurchase on: 03rd February 2025

Portfolio Construction

Quality Factors

01

Sustainable High
Earnings Growth

02

High Capital
Efficiency

03

Low/Negligible
leverage

04

Good Corporate
Governance

Desired Market Cap Allocation

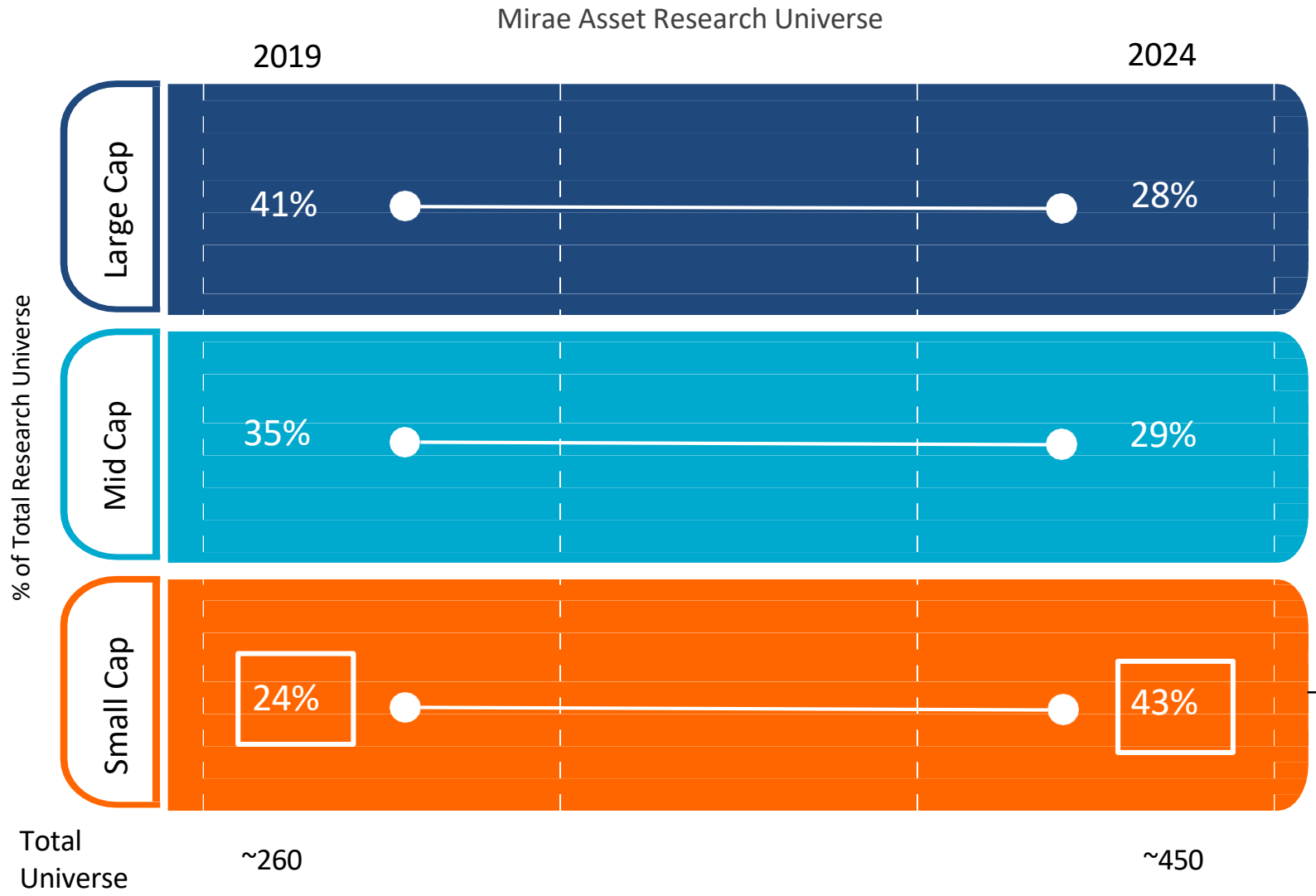
Small Cap
(65% to 100%)

Mid Cap
(0% to 35%)

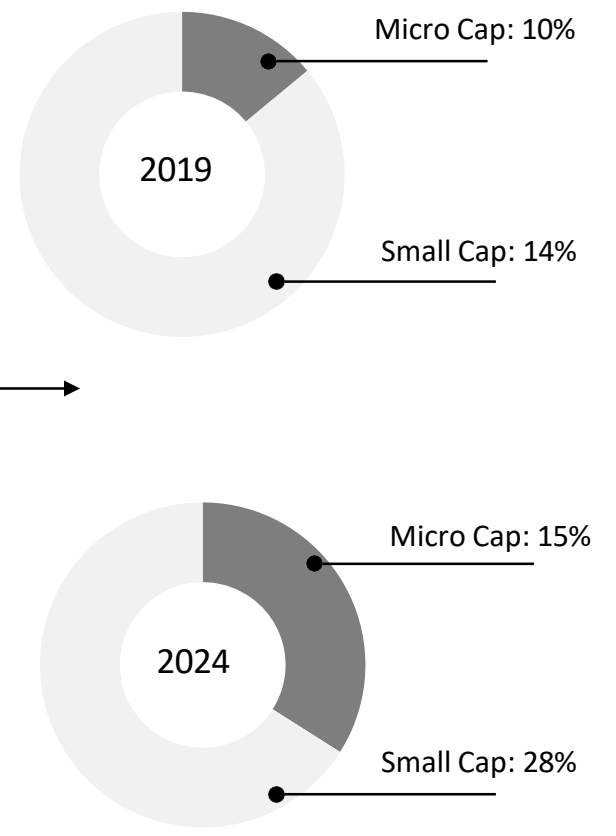
Large Cap
(0% to 35%)

Investment strategy stated above may change from time to time without any notice and shall be in accordance with the strategy as mentioned in the Scheme Information Document. Allocations mentioned on this slide are as per our current proposed strategy. This may change in future depending on market opportunities and fund manager views and would be subject to SID limits. The SID limits of market capitalization shall prevail at all points in time. As per SID, 65% minimum allocation in small cap stocks

Mirae Asset's Research Journey



Small Cap & Micro Cap



Source: Mirae Asset Internal Research. Total Research Universe depends on coverage which may change from time to time, Data as on 31st Dec 2024, Based on AMFI Market Capitalization Categorization 2018, Microcaps defined as beyond 501st company

A few examples of bottom's up picking of Small Caps



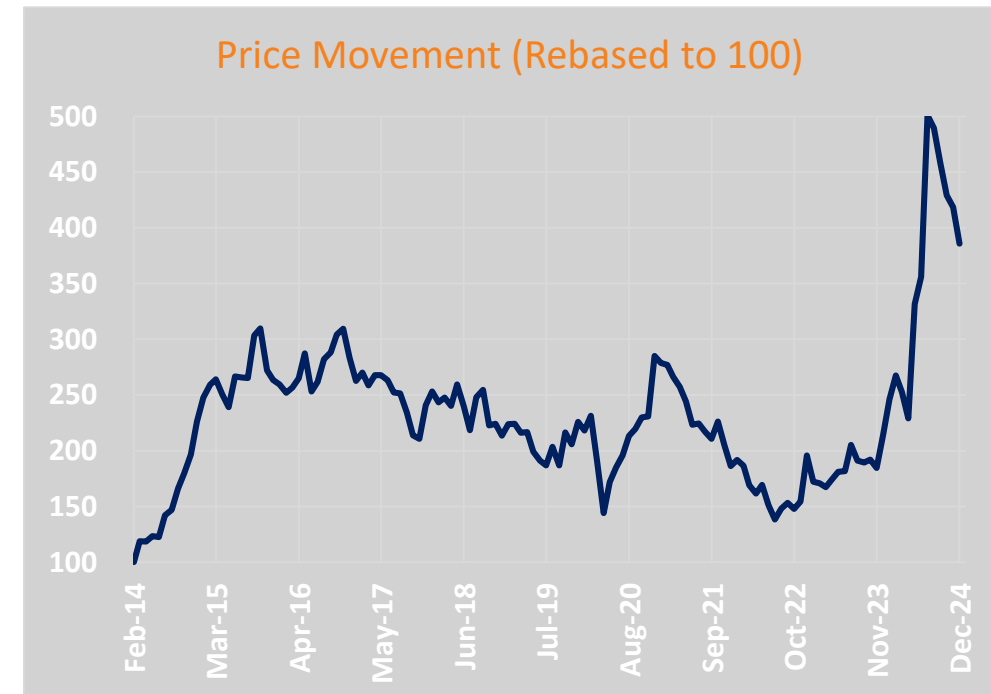
Automobile and Auto Components

Company Description

One of the manufacturers of lead acid batteries for industrial and automotive applications in India's storage battery industry. In FY24, the automotive battery contributed ~67% of its overall revenue, while the industrial battery contributes ~29%. Also, the new energy business contributed ~4% of the overall revenue. The company has nine manufacturing plants.

Investment Thesis

- While the industry structure remains largely a duopoly, the company has emerged as a formidable challenger to leader.
- Over FY14-24, it clocked a CAGR of 13% in net sales and 9% in PAT, exceeding that of the leader.
- This was driven by a combination of technological innovation (first to introduce maintenance-free, factory-charged, extended-warranty batteries), witty advertising, and a unique distribution model (franchise-based), supported by operational efficiency-led competitive pricing.
- With steady growth in its base business, a rising focus on the new energy domain, the merger of related businesses at fair value, a healthy net cash-positive balance sheet, and attractive valuations, we anticipate positive long-term prospects





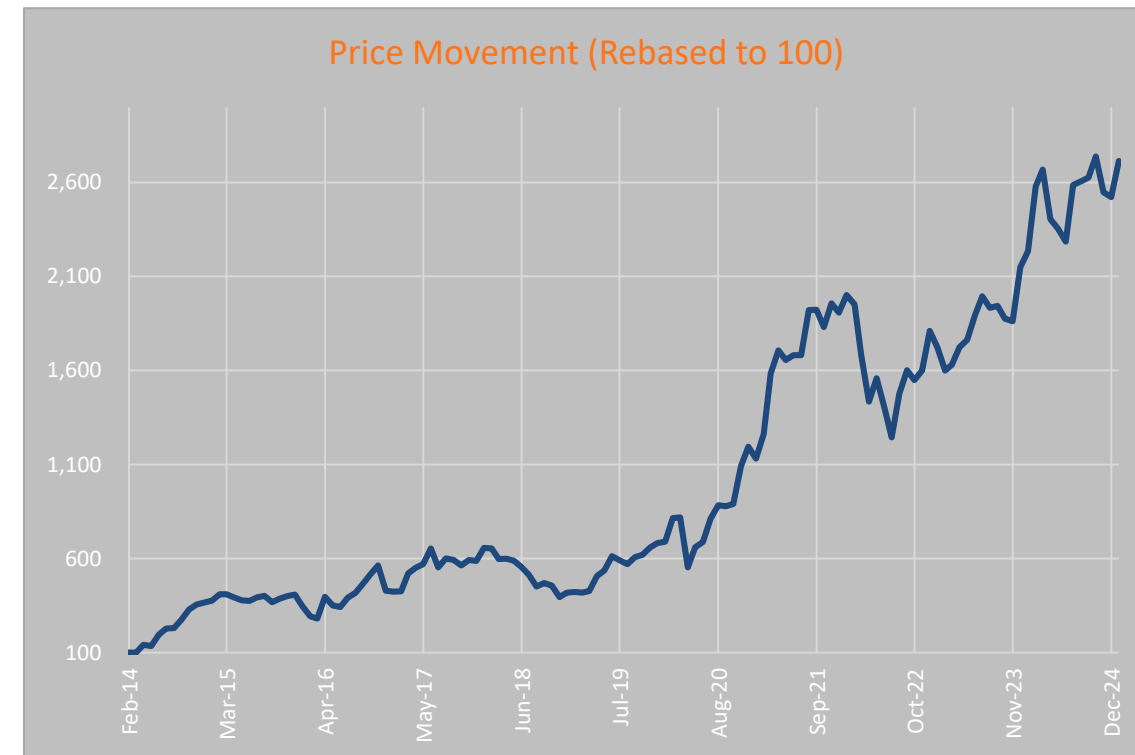
Construction Materials

Company Description

One of the manufacturers of Grey & White Cement, globally, with a total white cement capacity of 1.20mtpa and wall putty capacity of 1.2mtpa. Sold across 43 countries around the globe and the company has an international presence with two subsidiaries.

Investment Thesis

- Strategically expanding capacity using a balanced approach of improving the regional mix, lowering capex, and ensuring an adequate spread of integrated and grinding units.
- The company's cost structure has improved with continuous capacity expansion and upgrade works, which helped to reduce energy consumption, optimise logistics costs and drive positive operating leverage.
- Further, the company has initiated various cost saving initiatives, including an increase in green power share and thermal substitution rate and a reduction in lead.





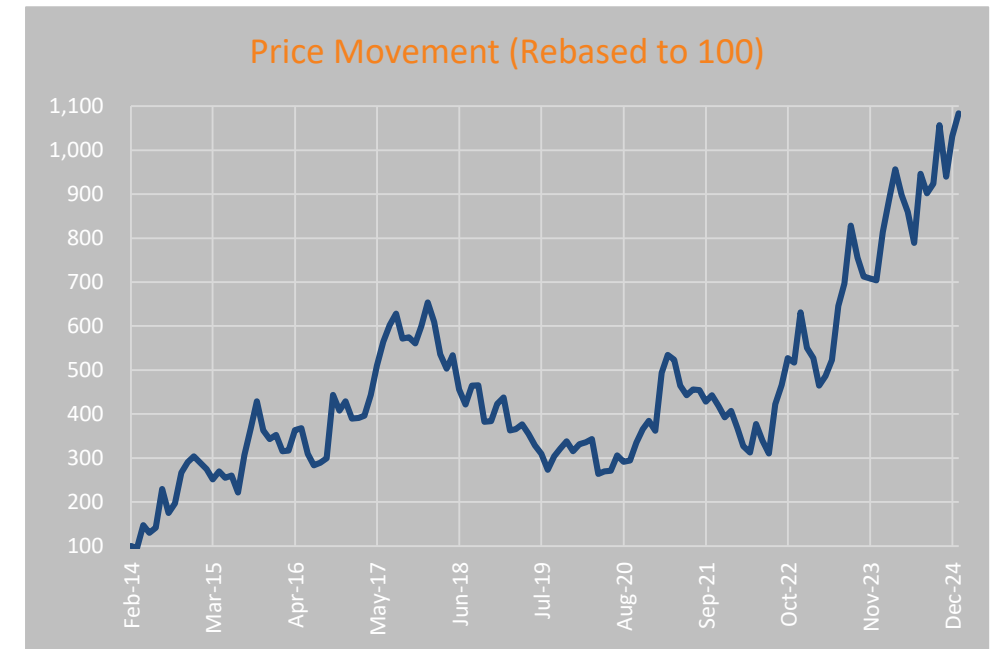
Automobile and Auto Components

Company Description

A prominent tyre manufacturer in India, producing tyres, tubes, and flaps for various automotive segments. The company operates six advanced manufacturing facilities across India and boasts an extensive network of over 55K touchpoints and collaborates with more than 50 OEMs.

Investment Thesis

- The company has placed a strong emphasis on effective marketing and branding (~2.0 to 2.5% of sales) for its products.
- To position its products competitively, it has developed creative advertising campaigns based on research and consumer insights and has invested in innovative marketing programmes.
- Management identified the 2W, Passenger Car, and OTR (truck/off-road) tire segments as strategic focus areas very early on, given their abilities to boost margin.
- Revenue contribution from these focus areas has surged over the years (to 62% in FY24 from mere 20% in FY10). This is also reflected in the market share gain.
- Further, recently it has ramped up its presence in EVs with a current market share of 30% in 2Ws and 20% in PVs.





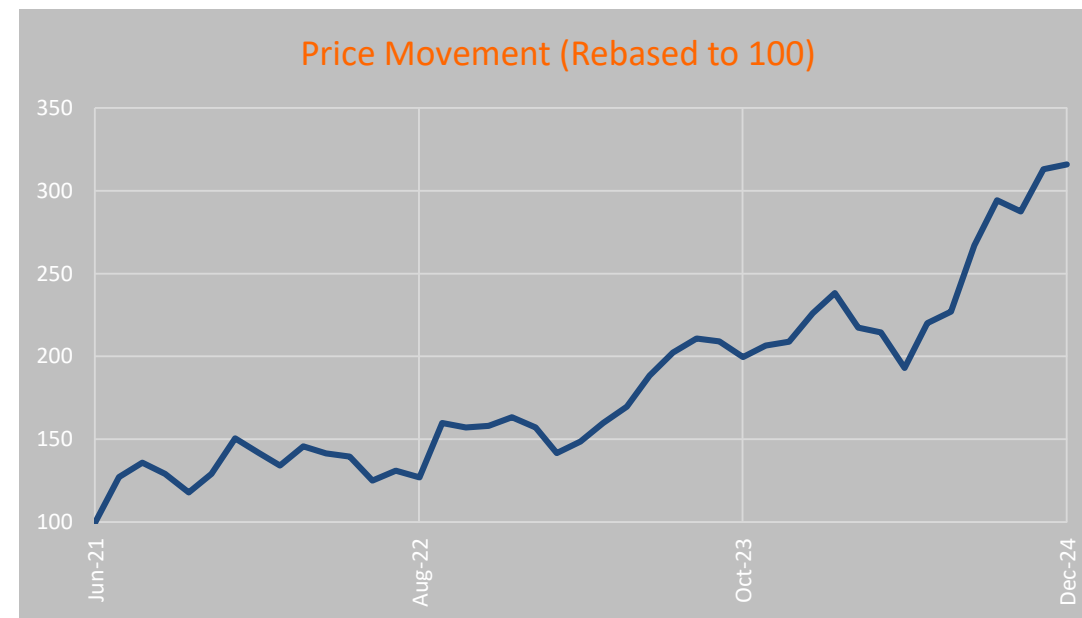
Healthcare Services & Hospitals

Company Description

One of the corporate healthcare groups in South India, with 12 multi-speciality hospitals having an aggregate capacity of 4,600 beds, ~2 times more than the second-largest hospital player in the region. The company has created a strong regional leadership in the South India healthcare market through its clinical excellence in 40 specialties, affordable pricing model, and low financial leverage approach to both organic and inorganic expansions, which has resulted in lower capex per bed vs. industry average.

Investment Thesis

- The company built a strong brand largely through word-of-mouth, backed by its solid clinical and operational track record. The company expanded initially with four greenfield projects and later accelerated growth through acquisitions.
- Successful turnaround of acquired assets and improved mix to drive average revenue per operating bed.
- For future prospects, untapped markets like Bangalore, Mumbai, and Kerala present an attractive opportunity to add large-format comprehensive hospitals (>300 beds at a single location).



Why Mirae Asset Small Cap Fund?

Compounding Advantage

Long-term investment in small caps can yield substantial compounded returns

Higher Growth Potential

Small Cap companies often have greater room for expansion

Large Investible Universe

The investible universe of small cap is relatively higher than other market caps

Undervalued Opportunities

These companies are relatively undervalued, leaving room for discovering hidden gems before broader recognition

Niche Market Leaders

Many small cap companies dominate specialised markets with unique offerings

Diversification

Leverage exposure to sectors which are relatively under represented in other market caps



Scheme Details



NFO Period

10th January 2025 to 24th January 2025



Benchmark

Nifty Small Cap 250 TRI



Plan & Options

Plans - Regular Plan and Direct Plan. Options - Growth Option & Income Distribution cum Capital Withdrawal option (IDCW) – Payout & Reinvestment option



Minimum Investment during NFO Period

Rs. 5000/- (in multiples of Rs.1/- thereafter on continuous basis)



SIP Amount

Rs. 99/- and in multiples of Re.1/- thereafter



Type of Scheme

An open-ended equity scheme predominantly investing in small cap stocks



Post New Fund Offer

Minimum Additional Purchase Amount – Rs.1000/- and in multiples of Rs.1/- thereafter.



Taxation

Equity



Fund Manager

Mr. Varun Goel
Mr. Siddharth Srivastava (Dedicated Fund Manager for Overseas Investments)



Scheme Code

MIRA/O/E/SCF/24/10/0075



Exit Load

NIL*

* I. For investors who have opted for SWP under the plan:

a) 15% of the units allotted (including Switch-in/STP - in) on or before completion of 365 days from the date of allotment of units: Nil.

b) Any redemption in excess of such limits in the first 365 days from the date of allotment shall be subject to the following exit load: (Redemption of units would be done on First In First Out Basis (FIFO): - If redeemed within 1 year (365 days) from the date of allotment: 1% of the applicable NAV -If redeemed after 1 year (365 days) from the date of allotment: NIL.

II. Other Redemptions: For Investors who have not opted for SWP under the plan (including Switch out, STP out):

-If redeemed within 1 year (365 days) from the date of allotment: 1%

-If redeemed after 1 year (365 days) from the date of allotment: NIL

Disclaimers

Statutory Details: Trustee: Mirae Asset Trustee Company Private Limited; Investment Manager: Mirae Asset Investment Managers (India) Private Limited (AMC); Sponsor: Mirae Asset Global Investments Company Limited.

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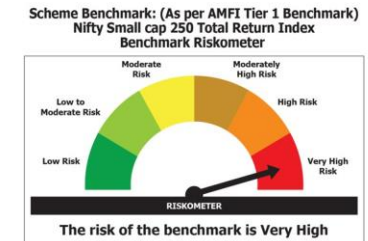
PRODUCT LABELLING

Mirae Asset Small Cap Fund (An open-ended equity scheme predominantly investing in small cap stocks. is suitable for investors who are seeking*

- Long-term capital appreciation
- Investment predominantly in equity and equity-related instruments of small-cap companies

*Investors should consult their financial advisors if they are not clear about the suitability of the product.

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



Scan here for product details & disclaimers



Please consult your financial advisor or mutual fund distributor before investing

For further information about other schemes (product labelling and performance of the fund) please visit the website of the AMC:
www.miraeassetmf.co.in

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