

Harness the power of **MOMENTUM** in large caps

From the innovators of India's first Active Momentum Fund, introducing

Samco Large Cap Fund

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

Powered by **C.A.R.E. Momentum Strategy**

NFO Period

05 March 2025 – 19 March 2025



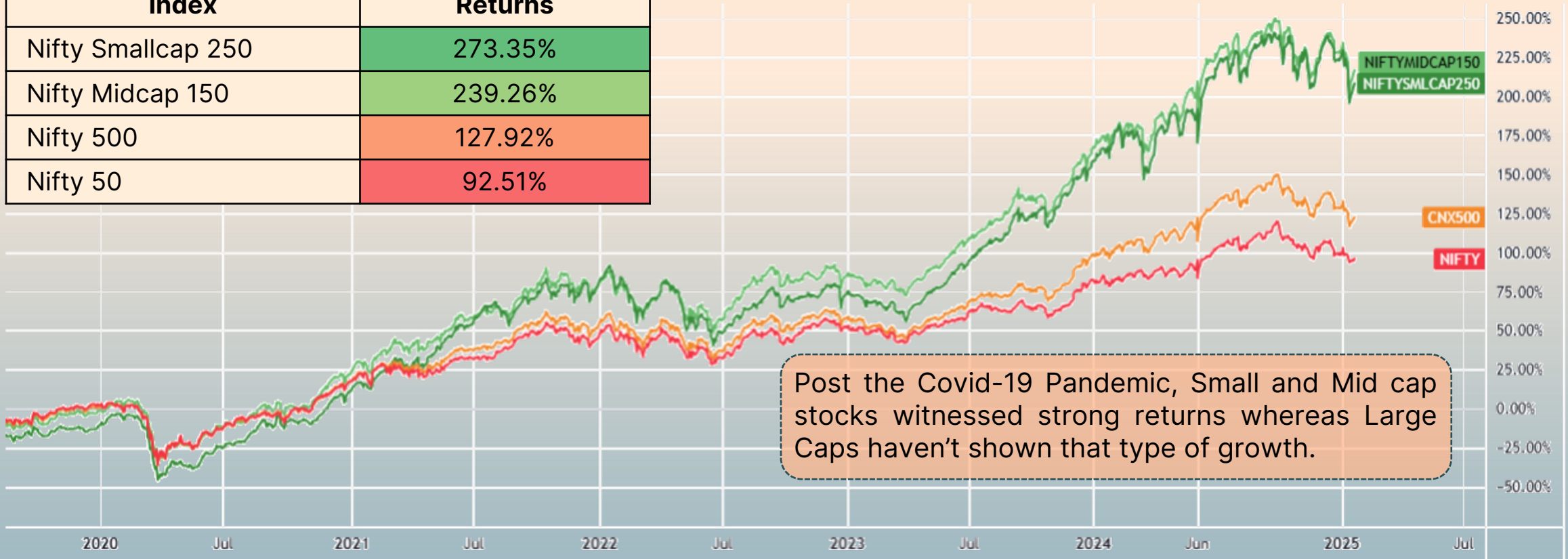
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The current state of the markets

Dream run for Small and Midcaps post the Covid-19 Pandemic

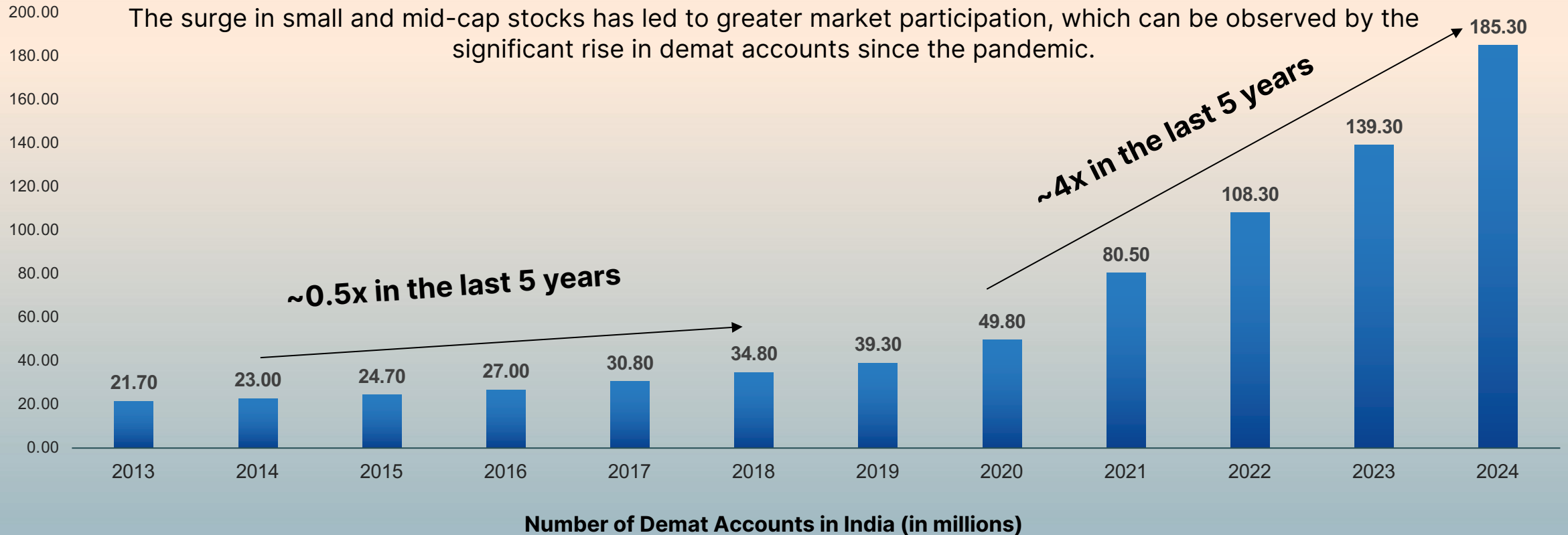
Index	Returns
Nifty Smallcap 250	273.35%
Nifty Midcap 150	239.26%
Nifty 500	127.92%
Nifty 50	92.51%



Spread of Equity Cult in India

Growth in Demat Accounts: ~4x in the last 5 years and ~9x in the last decade

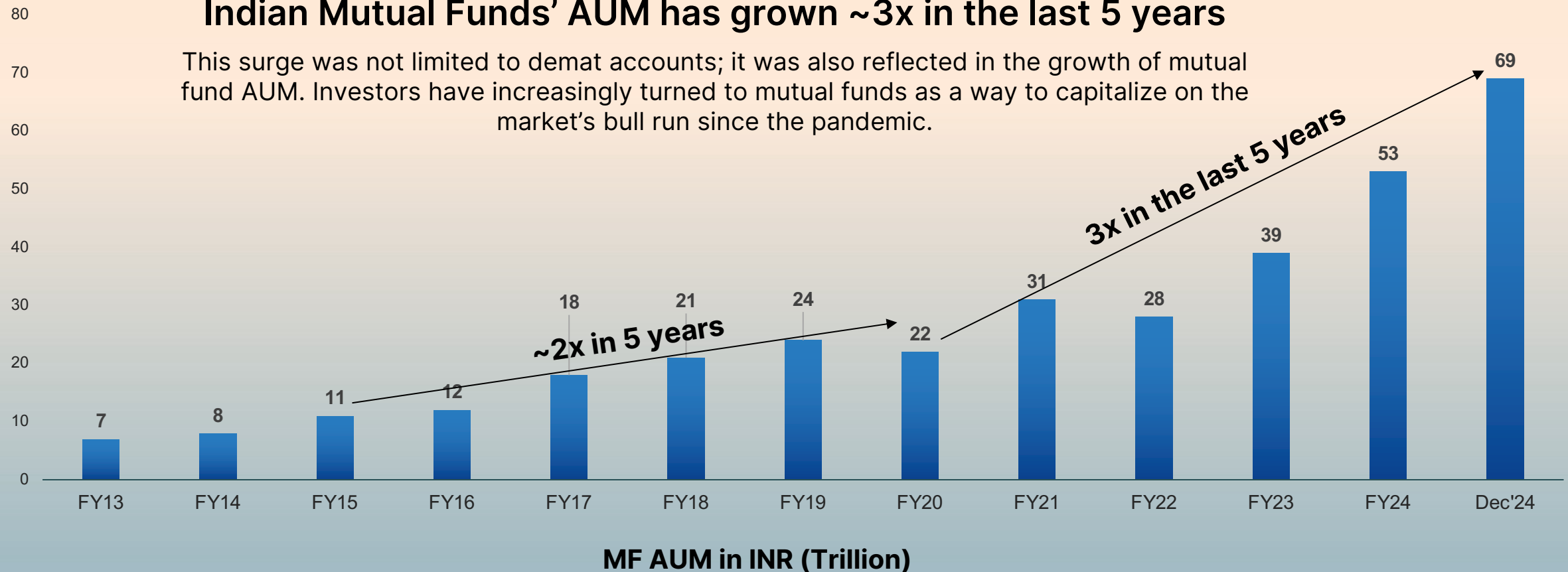
The surge in small and mid-cap stocks has led to greater market participation, which can be observed by the significant rise in demat accounts since the pandemic.



Not restricted to equities, even Mutual Funds...

Indian Mutual Funds' AUM has grown ~3x in the last 5 years

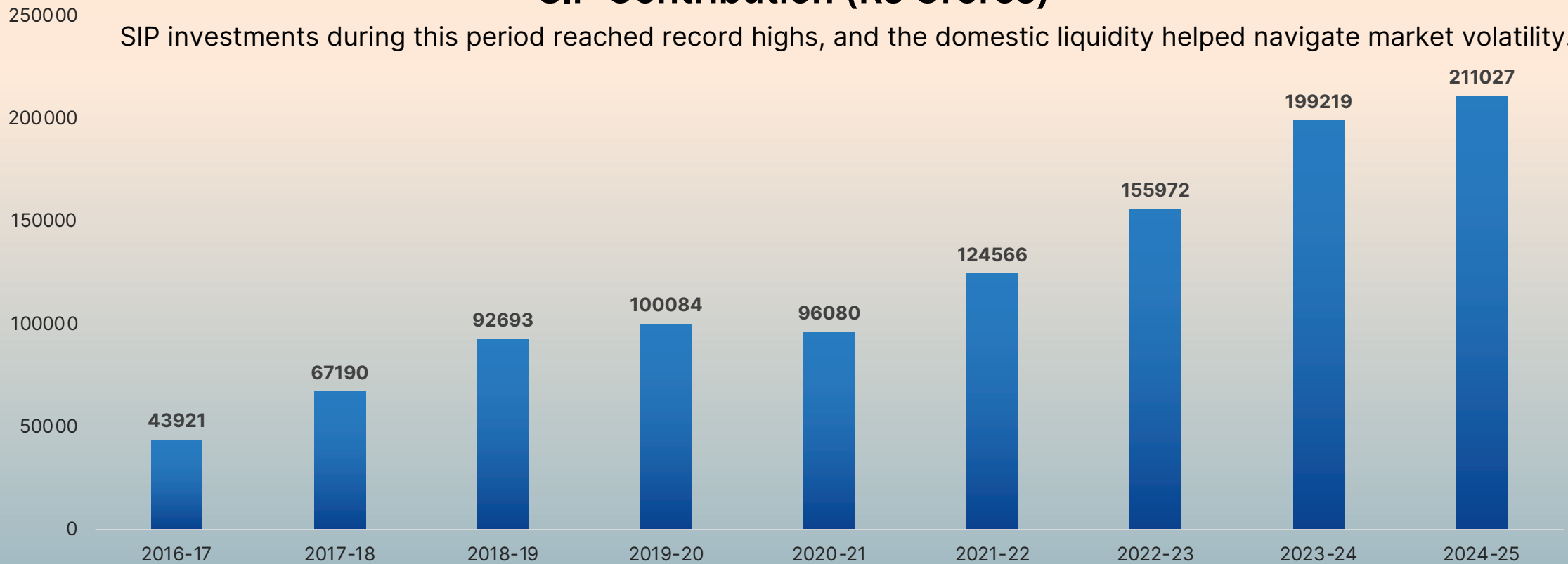
This surge was not limited to demat accounts; it was also reflected in the growth of mutual fund AUM. Investors have increasingly turned to mutual funds as a way to capitalize on the market's bull run since the pandemic.



Strong SIP flows have helped navigate market volatility

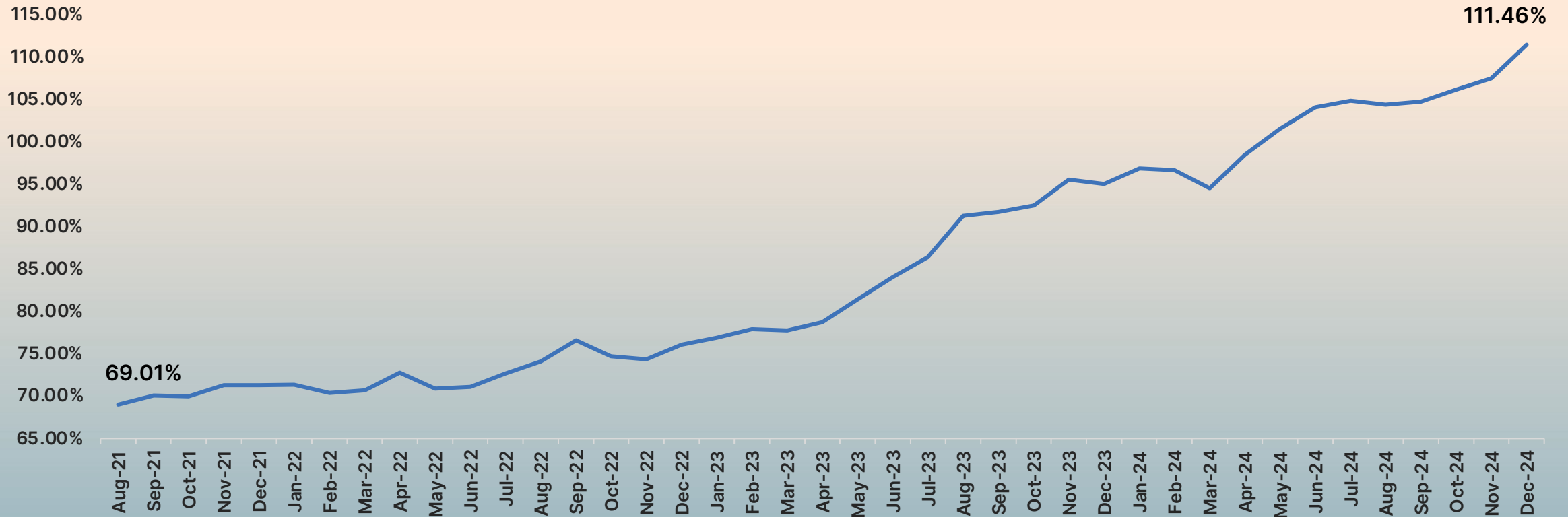
SIP Contribution (Rs Crores)

SIP investments during this period reached record highs, and the domestic liquidity helped navigate market volatility.



Infact Midcap AUM has Surpassed Large Cap Funds' AUM

Mid Cap Fund AUM as a % of Large Cap AUM

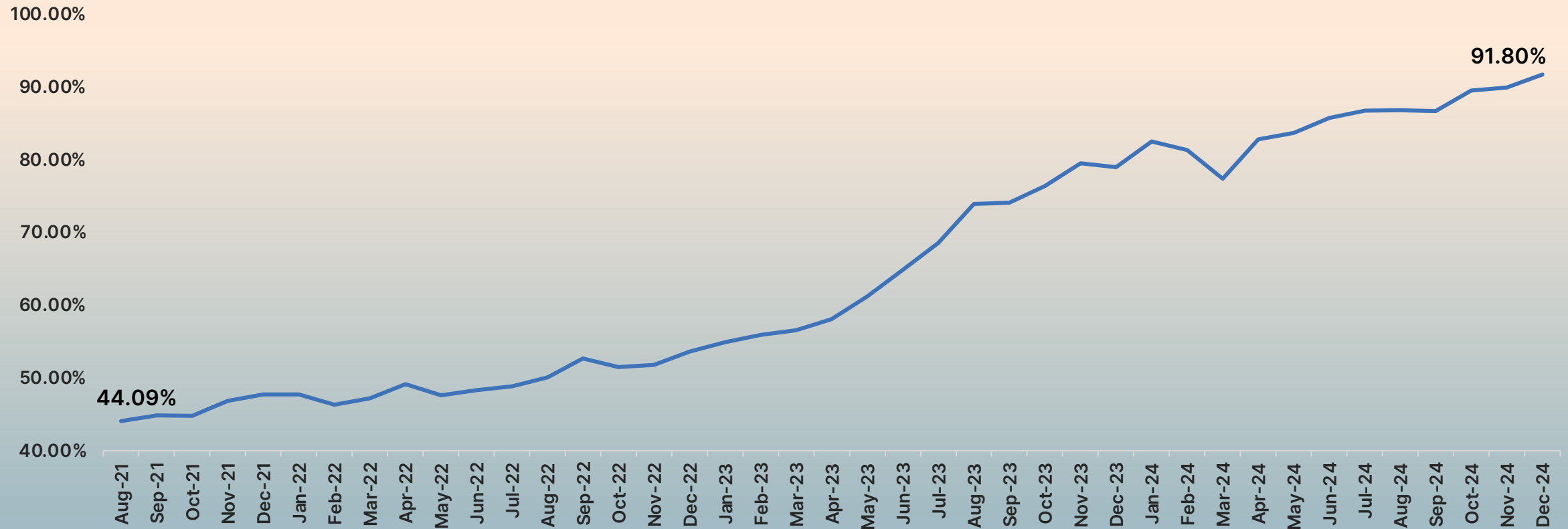


Source: AMFI, Internal Research, Data as on 31st December 2024

Disclaimer: Past performance may or may not be sustained in future. The above graph is used for representative and for illustrative purposes only

And Smallcap AUM is currently ~92% of Large Cap AUM

Small Cap Fund AUM as a % of Large Cap AUM



Source: AMFI, Internal Research, Data as on 31st December 2024

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Small Cap Funds and Sectoral/Thematic Funds are the talk of the town, as seen in the substantial growth of their AUM.

In the same duration Large Cap Funds' AUM share declined by ~32% in the last 3 years

Growth/Equity Oriented Schemes	% of AUM 2021	% of AUM 2024	Change %
Multi Cap Fund (New Category)	2.17%	5.91%	172.18%
Sectoral/Thematic Funds	10.63%	15.46%	45.39%
Small Cap Fund	7.60%	10.77%	41.75%
Dividend Yield Fund	0.74%	1.03%	38.87%
Large & Mid Cap Fund	7.84%	8.86%	12.98%
Mid Cap Fund	11.89%	13.08%	9.96%
Value Fund/Contra Fund	5.97%	6.16%	3.16%
Flexi Cap Fund	16.84%	14.33%	-14.91%
Large Cap Fund	17.23%	11.73%	-31.92%
ELSS	11.84%	7.89%	-33.32%
Focused Fund	7.25%	4.78%	-34.01%

Why Large Caps Now?

Large cap Index is relatively undervalued

Nifty Mid cap 150 and Small cap 250 have expensive valuations as they are trading above their Median PE Ratio

Index	PE Ratio (as on 31st Dec 2024)	Median PE Ratio (5 years)
Nifty 100	22.31	23.40
Nifty Midcap 150	43.30	27.50
Nifty Smallcap 250	34.39	29.00

Nifty 100/Nifty 500 at an ALL TIME LOW



Source: Trading View, Internal Research, Data as on 31st December 2024

Disclaimer: Past performance may or may not be sustained in future. The above graph is used for representative and for illustrative purposes only

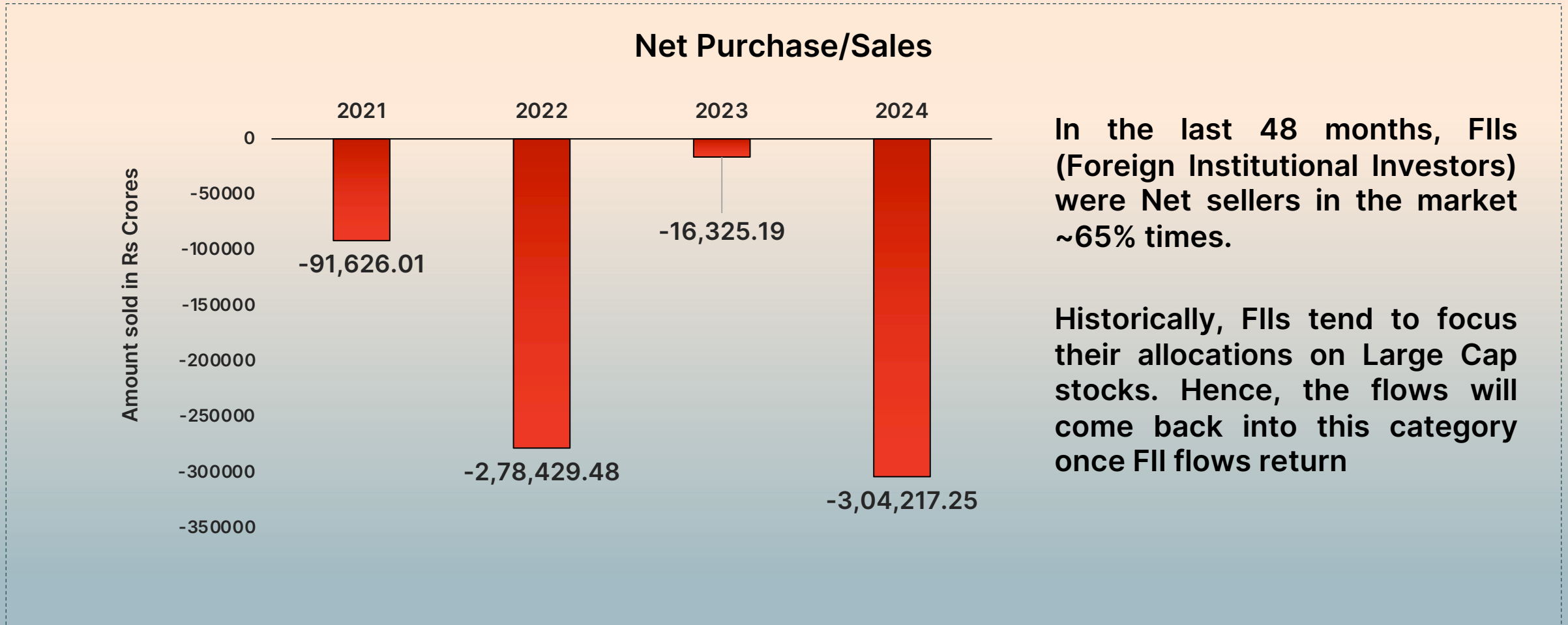
Higher Probability of an Increase in Large Cap Exposure NOW!

Month	% to Total Market Capitalization		
	Large Cap	Mid Cap	Small Cap
Dec-13	77.0	12.6	10.4
Dec-14	73.5	14	12.5
Dec-15	71.5	15.2	13.3
Dec-16	70.7	15.3	14
Dec-17	66.5	17.2	16.3
Dec-18	70.7	16.2	13.1
Dec-19	73.8	15.6	10.6
Dec-20	73.4	15.6	11
Dec-21	68.7	16.7	14.6
Dec-22	69.3	16.1	14.6
Dec-23	63.9	17.8	18.3
Dec-24	59.7	19.3	21

Large Cap contribution to market cap dipped to an all-time low while Mid and Small Caps are its highest in December 2024. This indicates retail investor increasing preference for Mid and Small Caps

Historically Large Caps have been ~70% of the Market Cap but with time its contribution has declined with Mid and Small Cap improving and surpassing 2017-18 levels

Will FIIs return after 4 years of selling?



In the last 48 months, FIIs (Foreign Institutional Investors) were Net sellers in the market ~65% times.

Historically, FIIs tend to focus their allocations on Large Cap stocks. Hence, the flows will come back into this category once FII flows return



Need for Large Cap Funds?

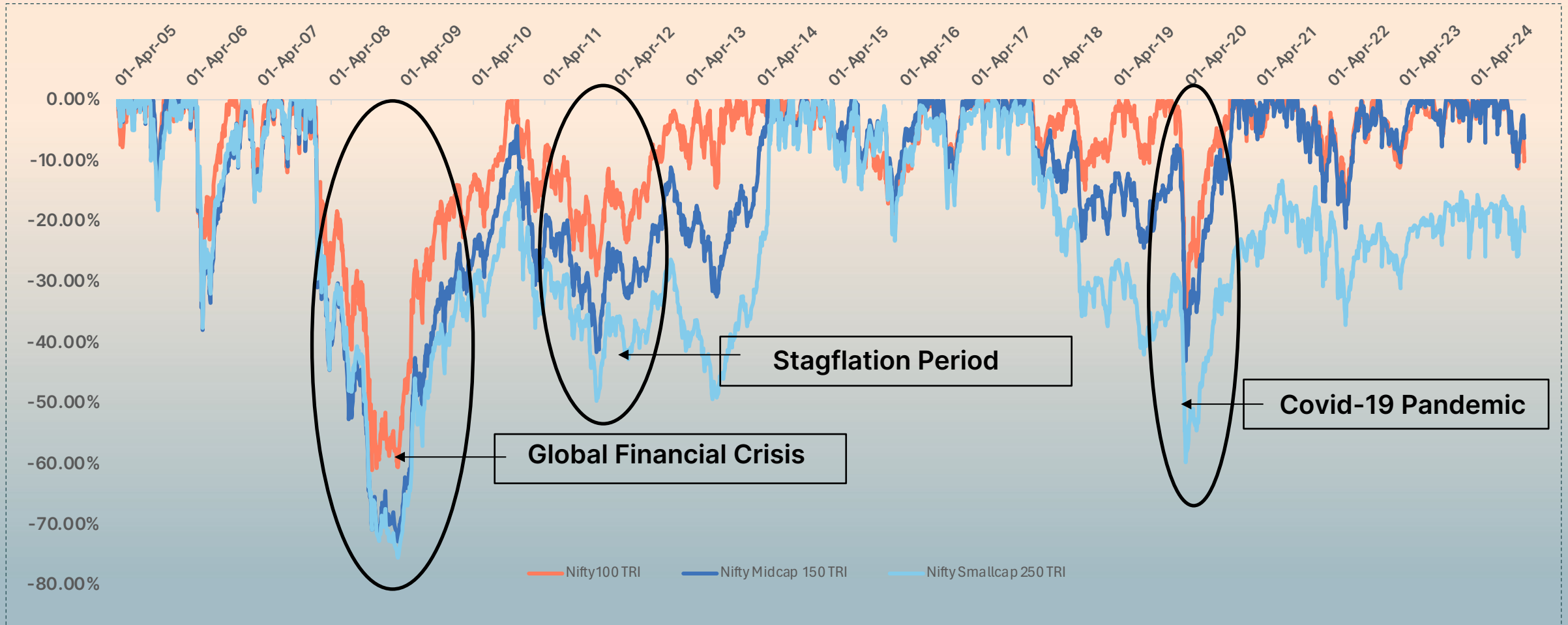
Nifty100 TRI Returns Since 30th March 2005



Source: Nifty Indices, Internal Research, Data from 30th March 2005-29th January 2025

Disclaimer: Past performance may or may not be sustained in future. The above graph is used for representative and for illustrative purposes only

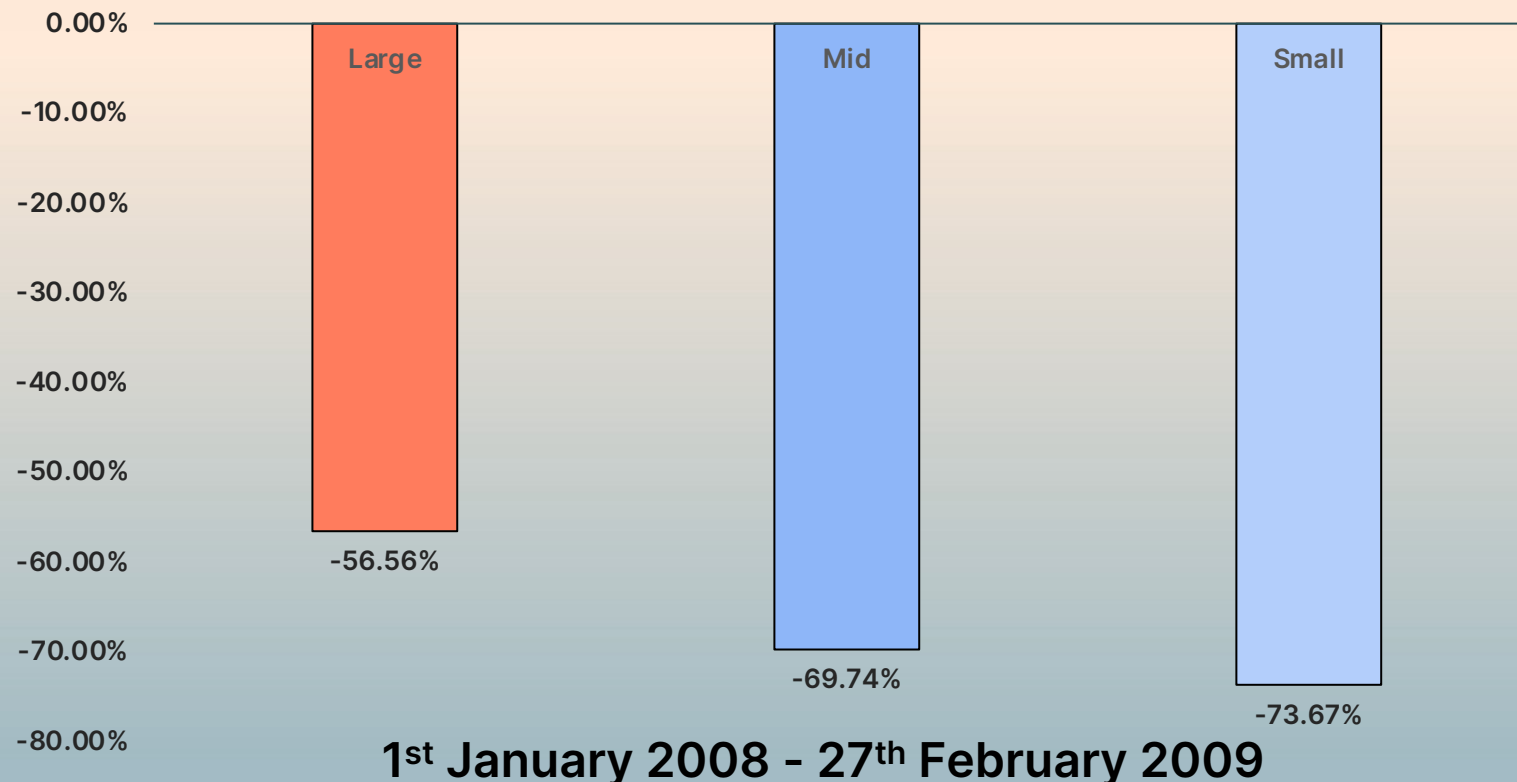
Lower Drawdowns in Large Caps vs. Mid & Small Caps



Source: Nifty Indices, Internal Research, Data as on 31st December 2024. Disclaimer: Past performance may or may not be sustained in future. The above graph is used for representative and for illustrative purposes only. Large Cap are represented by Nifty 100 TRI; Mid Cap by Nifty Midcap 150 TRI; Small Cap by Nifty Smallcap 250 Index TRI

Resilience of Large Caps During Periods of Economic Challenges

Global Financial Crisis

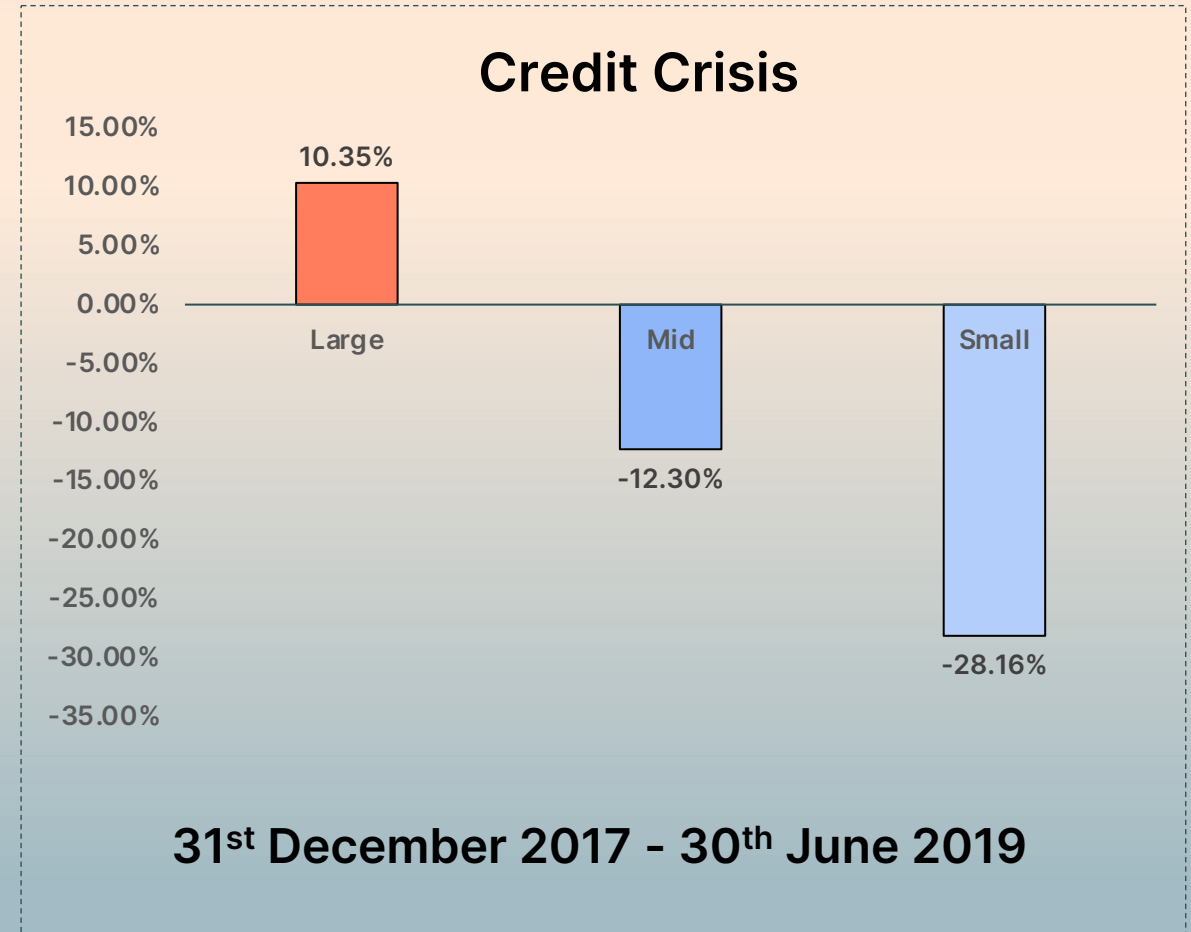
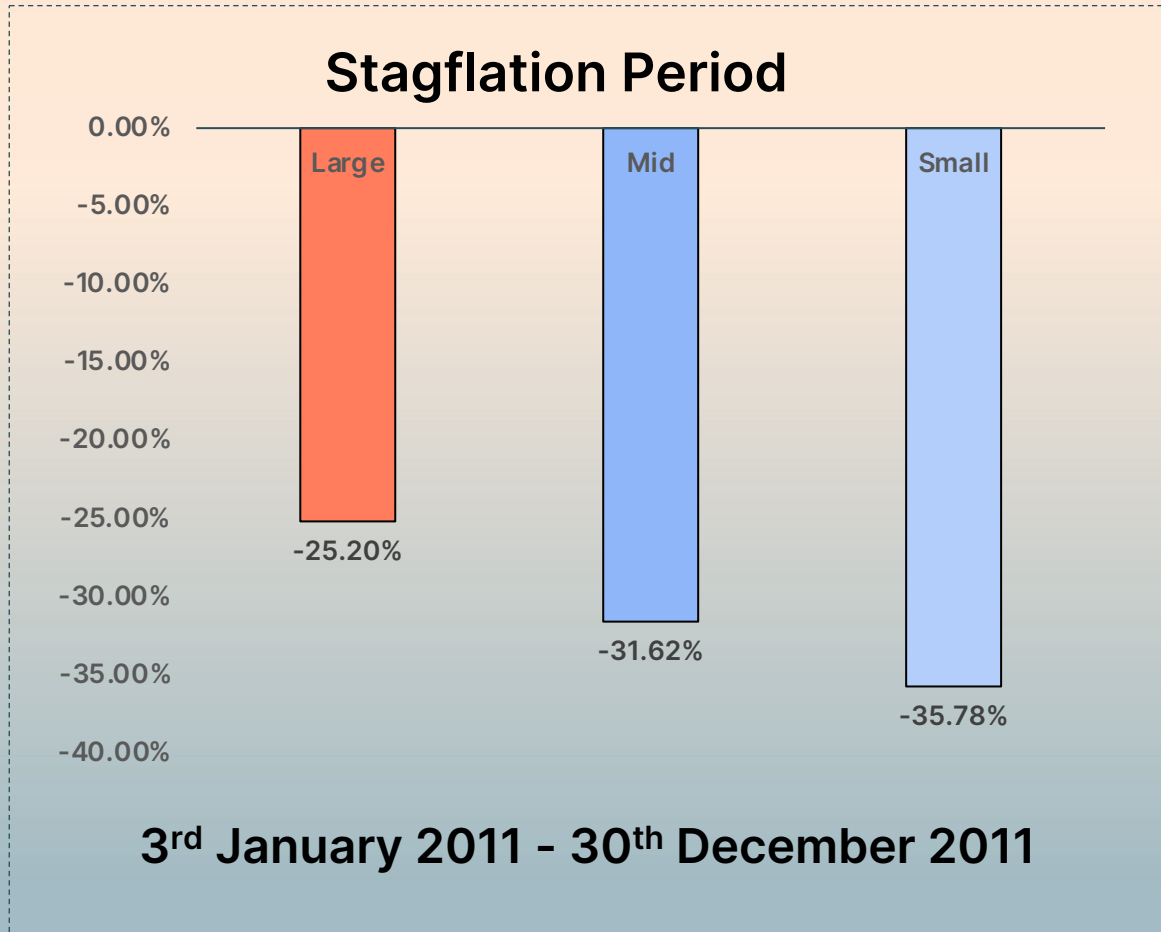


1st January 2008 - 27th February 2009

Source: Nifty Indices, Internal Research, Data as on 31st December 2024

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Resilience of Large Caps During Periods of Economic Challenges



Source: Nifty Indices, Internal Research, Data as on 31st December 2024

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Need for a Large Cap Fund

Lower Volatility

Large Cap stocks typically exhibit less volatility compared to mid cap and small cap stocks, as they are more established, financially stable, and less sensitive to market fluctuations.

Proven and Sustainable Business Model

Large Cap companies are typically market leaders with established track records of profitability and stable cash flows. This makes them more resilient, particularly during economic downturn.

Deliver consistent Long Term Returns

Large Cap companies have a good proven track record with strong fundamentals such as revenue growth, efficient operations etc which allows them to deliver consistent returns over a long period of time.



Industry Dynamics

Funds in the industry typically focus on one or a combination of strategies (Growth, Quality or Value) while managing Active Large Cap Funds.

<u>Fund</u>	<u>Growth</u>	<u>Quality</u>	<u>Value</u>	<u>Fund</u>	<u>Growth</u>	<u>Quality</u>	<u>Value</u>
1	No	No	Yes	17	No	No	No
2	Yes	Yes	Yes	18	Yes	Yes	Yes
3	No	No	No	19	Yes	No	Yes
4	No	Yes	No	20	Yes	No	No
5	No	No	Yes	21	Yes	Yes	Yes
6	No	Yes	Yes	22	Yes	No	Yes
7	No	Yes	No	23	Yes	No	Yes
8	Yes	Yes	No	24	Yes	No	No
9	No	No	No	25	Yes	Yes	No
10	No	Yes	No	26	Yes	Yes	No
11	Yes	Yes	No	27	No	No	No
12	Yes	Yes	Yes	28	Yes	Yes	Yes
13	Yes	Yes	No	29	Yes	Yes	Yes
14	Yes	Yes	Yes	30	Yes	No	No
15	Yes	No	Yes	31	Yes	No	Yes
16	Yes	No	No				

No one in the Large Cap Category uses “Momentum” as their investment strategy in Scheme Information Document (SID)

<u>Fund</u>	<u>Momentum</u>	<u>Fund</u>	<u>Momentum</u>
1	No	17	No
2	No	18	No
3	No	19	No
4	No	20	No
5	No	21	No
6	No	22	No
7	No	23	No
8	No	24	No
9	No	25	No
10	No	26	No
11	No	27	No
12	No	28	No
13	No	29	No
14	No	30	No
15	No	31	No
16	No		

Active Share of Large Cap Funds

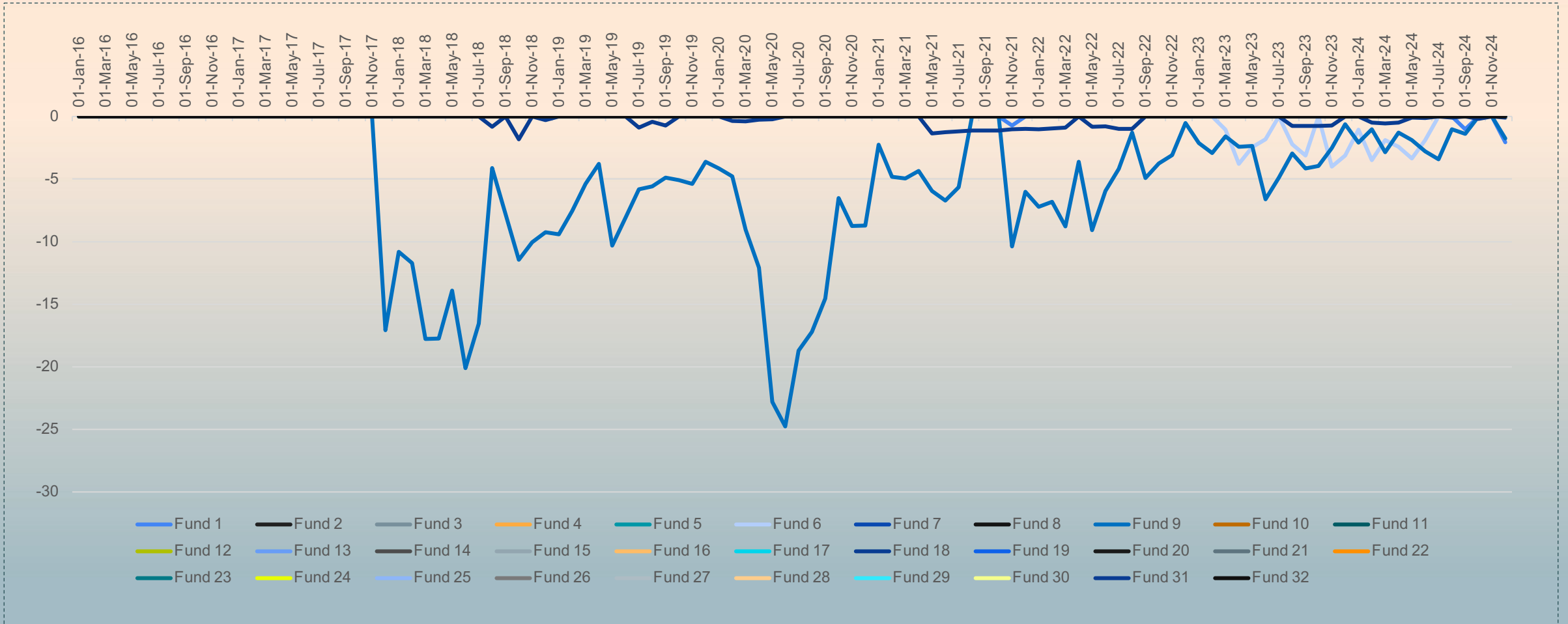
The active share of Large Cap Funds in the industry, typically range between ~20% and 40%,

This indicates that these funds have no significant deviations from the benchmark.

Fund	Active Share
Fund - 1	27.81%
Fund - 2	23.66%
Fund - 3	21.61%
Fund - 4	23.83%
Fund - 5	23.79%
Fund - 6	27.21%
Fund - 7	21.61%
Fund - 8	20.16%
Fund - 9	24.08%
Fund - 10	22.33%
Fund - 11	29.19%
Fund - 12	30.62%
Fund - 13	22.85%
Fund - 14	39.03%
Fund - 15	28.15%
Fund - 16	26.41%

Fund	Active Share
Fund - 17	26.31%
Fund - 18	24.62%
Fund - 19	22.14%
Fund - 20	23.30%
Fund - 21	28.05%
Fund - 22	30.93%
Fund - 23	25.20%
Fund - 24	29.04%
Fund - 25	23.01%
Fund - 26	24.56%
Fund - 27	29.34%
Fund - 28	22.64%
Fund - 29	23.11%
Fund - 30	36.29%
Fund - 31	34.43%
Fund - 32	29.62%

Only 3 Funds in the Industry use Hedging



Source: Internal Research, Data as on 31st December 2024

Disclaimer: Past performance may or may not be sustained in future. The above graph is used for representative and for illustrative purposes only



*Cutting-edge Systems
For Wealth Creation*

Presents a unique opportunity for

Samco Large Cap Fund

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

Powered by **C.A.R.E. Momentum System**



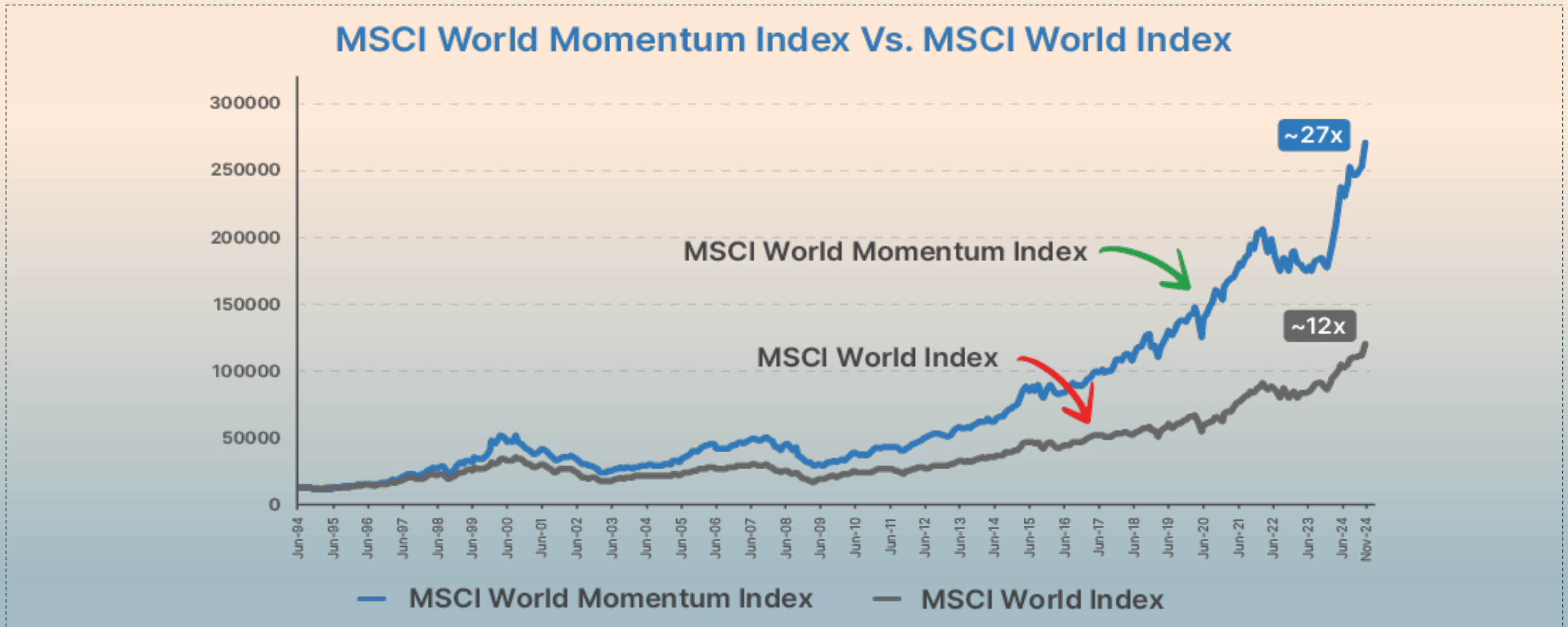
**Scan to watch
TVC Commercial**



*“**MSCI Research** shows, on a historical basis, the momentum factor has been one of the **strongest generators of excess returns.**”*

Momentum is one of the most persistent factor to generate excess returns in all assets be it equity, commodity and forex and over 215+ years of history.

Momentum Index outperformance vs Base Benchmark

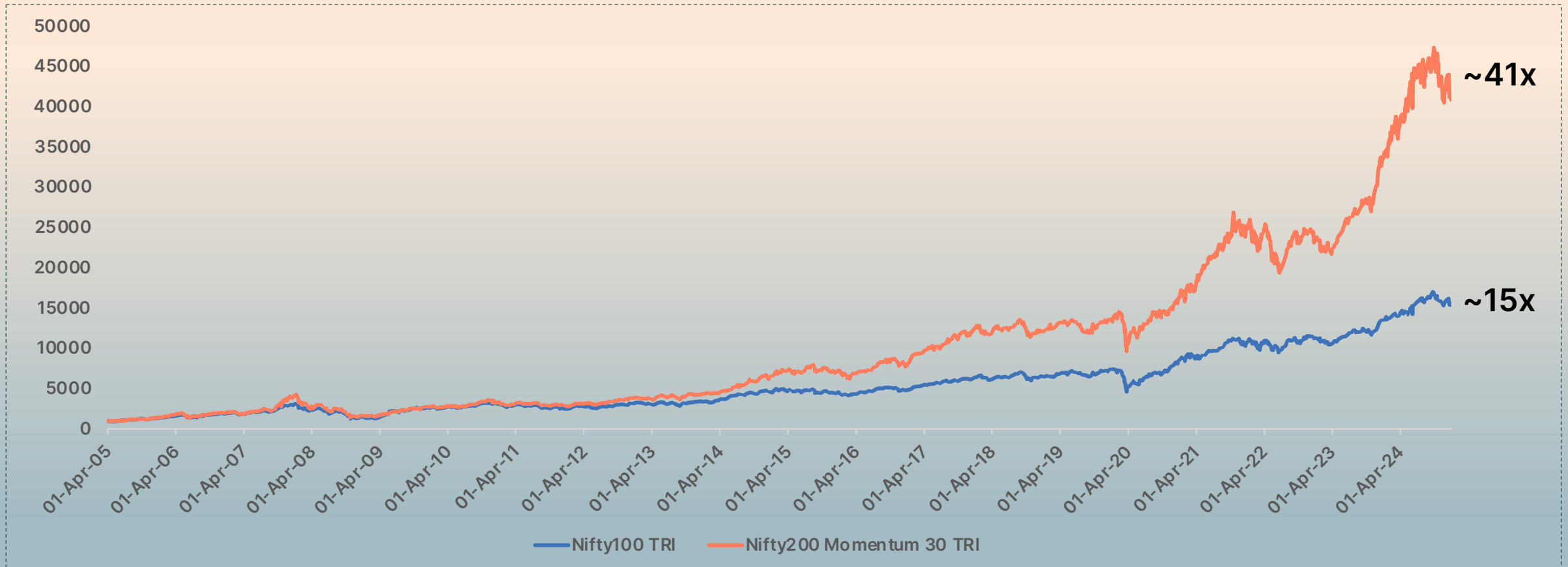


Source: MSCI, Samco Research. Price data for MSCI World Index and MSCI Momentum Index from June 1994 till November 2024.

Disclaimer: Past returns are no indication of future returns. The index returns do not indicate returns of the scheme and are only mentioned for illustration of momentum as a factor.

Momentum Index outperformance vs Nifty100 TRI

In the last 20 years, the Nifty100 TRI has only grown ~15x but during this same duration the Momentum Index has grown ~41x and has outperformed the Nifty100 TRI



Source: Nifty Indices, Internal Research, Data as on 31st December 2024

Disclaimer: Past performance may or may not be sustained in future. The above graph is used to explain the concept and is for illustration purposes only.

How is Momentum defined & identified?

Stocks in Momentum could be selected through **Time Series Momentum** or **Relative Strength Momentum** which are two distinct measures used to evaluate the performance of stocks

Time Series Momentum

“Time-series momentum, also known as absolute momentum, assesses a stock's past performance by considering its own returns independently from the returns of other stocks.”

As per sports analogy think of a standalone outstanding innings by a batsman or 5 Wicket hauls by bowlers standing out as great individual performances

Relative Strength Momentum

“Cross-sectional momentum, measures a stock's performance in comparison to other stocks in the entire stock universe, thus focusing on the relative strength of the stock versus the market.”

As per sports analogy, think about top scorers, top wicket takers, man of series, etc in a multi team series which identifies top players amongst hundreds of players.

Why does Momentum Work?

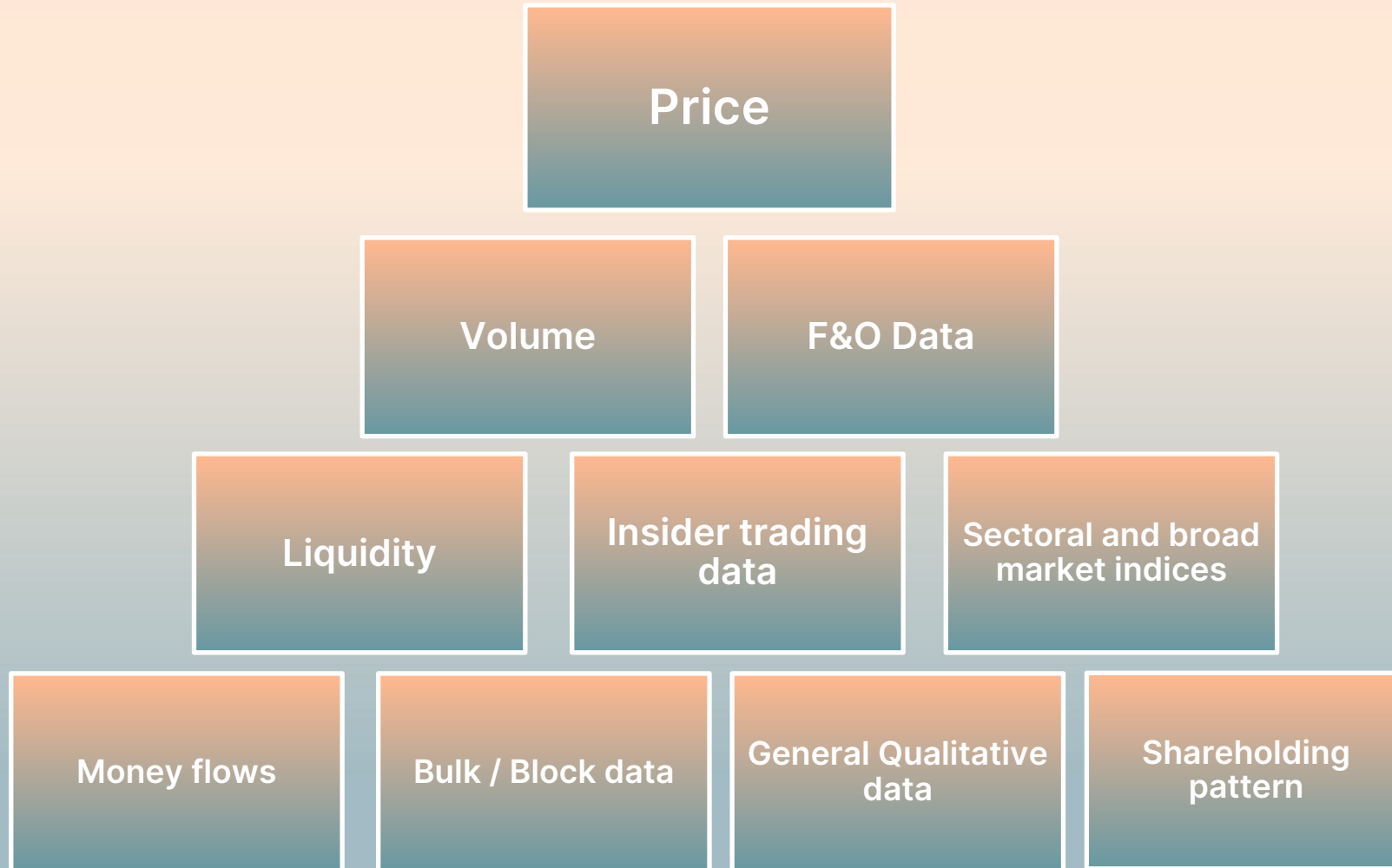
The answer to the question can be explained through the Information Diffusion Analogy

Price of a stock is impacted depending upon the dissemination of information in different market participants in the following order

- a. **Promoters:** Understanding of business cycles and business development leads to capturing of early inflection points.
- b. **Smart Individual Investors:** Due to active engagement the immediate stakeholders get access to information.
- c. **Institutional Investors:** Due to better access to managements and deep research capabilities institutions capture market trends.
- d. **Retail Investors:** As the business cycles reaches maturity the retail investors start realizing the change and jump in the bandwagon at the end.



Data Points to identify Momentum





Momentum in Large Cap Stocks

The number of times Large Cap stocks were in momentum and would have formed part of portfolio in ~20 yrs is very small.

Majority stocks have remained in momentum for approx. only 4.5 years on an avg in ~20 yrs.

Hence, holding them for all the 20 years would be a drag on the portfolio.

Stock	# of Days	Number of years stock in Momentum	% of time stock in Momentum
HDFCBANK	2661	7.29	37.36%
SUNPHARMA	2329	6.38	32.70%
LUPIN	2192	6.01	30.78%
KOTAKBANK	2174	5.96	30.53%
ITC	2010	5.51	28.22%
ASIANPAINT	1951	5.35	27.39%
HINDUNILVR	1910	5.23	26.82%
SIEMENS	1775	4.86	24.92%
RELIANCE	1711	4.69	24.02%
INDUSINDBK	1701	4.66	23.88%
TECHM	1644	4.5	23.08%
LT	1629	4.46	22.87%
LICHSGFIN	1624	4.45	22.80%
JSWSTEEL	1620	4.44	22.75%
MARUTI	1614	4.42	22.66%
M&M	1607	4.4	22.56%
TATAMOTORS	1594	4.37	22.38%
TITAN	1592	4.36	22.35%
BAJAJFINSV	1576	4.32	22.13%
DRREDDY	1545	4.23	21.69%
CIPLA	1517	4.16	21.30%
INFY	1495	4.1	20.99%
TCS	1420	3.89	19.94%
HCLTECH	1346	3.69	18.90%
BEL	1340	3.67	18.81%
HEROMOTOCO	1336	3.66	18.76%
OFSS	1289	3.53	18.10%
BANKBARODA	1250	3.42	17.55%
BAFINANCE	1237	3.39	17.37%
AXISBANK	1226	3.36	17.21%

**Reliance was in momentum only
24% of the time.**

**Hence, no point holding it for the
other 76% of the time where
it would drag the performance
of the portfolio.**

Stock	# of Days	Number of years stock in Momentum	% of time stock in Momentum
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TCS	1420	3.89	19.94%
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AXISBANK	1226	3.36	17.21%



Samco C.A.R.E Momentum Strategy

Samco C.A.R.E Momentum System

The **SAMCO Large Cap Fund** uses a cutting-edge momentum-based strategy with **SAMCO's proprietary C.A.R.E. Momentum system** to deliver superior risk-adjusted returns. It identifies large-cap stocks with strong momentum in **Cross Sectional, Absolute, Revenue, and Earnings Momentum**. By focusing on the top 100 companies by market capitalization, the fund optimizes the portfolio and mitigates risks using derivatives and hedging during market volatility.



Cross Sectional Momentum: A Guide for Stock Selection

Cross-sectional momentum is the core criterion for stock selection which identifies and invests in top-performing large-cap stocks with consistent price strength, outperforming their sector and indices.

This approach capitalizes on leading stocks with strong upward trends, focusing on market leaders and aligning with momentum investing principles to ensure efficient capital deployment and alpha generation.

Absolute Momentum: Enhancing Portfolio Resilience

Absolute momentum assesses the directional trend of stocks or the market, regardless of relative performance. If the trend turns negative, the fund employs tactical measures, including derivatives and hedging, to reduce net equity exposure and protect against drawdowns.

This defensive stance ensures resilience during adverse conditions while allowing participation in favorable market environments. This dynamic approach ensures a smoother experience across market cycles.

Revenue Momentum: Identifying Growth Drivers

Revenue momentum focuses on companies with strong top-line growth, highlighting those with consistent sales increases that precede earnings growth. The fund analyzes historical and projected revenue trends to identify stocks poised for momentum, prioritizing companies with high product demand, market share expansion, or successful new launches.

This approach ensures the portfolio includes growth stocks that can sustain market leadership and capture long-term value creation.

Earnings Momentum: Capitalizing on Profit Acceleration

Earnings momentum identifies companies with rapid growth in profitability at the PBT (Profit Before Tax) and PAT (Profit After Tax) levels, reflecting their ability to translate operational efficiency and revenue growth into shareholder value.

The fund evaluates metrics like earnings growth, profit margins, and earnings revisions. Companies with consistent or accelerating earnings growth form the portfolio's core, ensuring higher profitability and returns for investors.

Only 2 common stocks in the top 10 stocks in Benchmark vs SAMCO Large Cap Fund's model portfolio

Nifty 100 index Top constituents by weightage

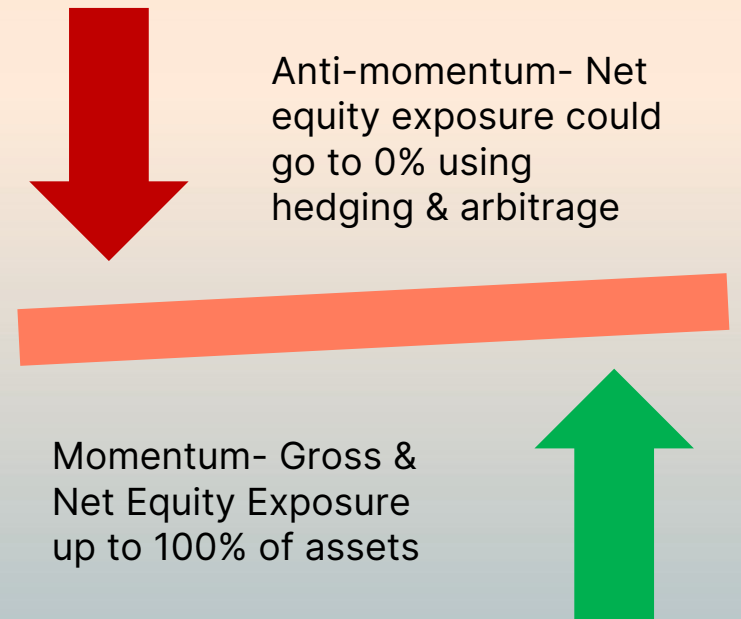
Company's Name
HDFC Bank Ltd.
ICICI Bank Ltd.
Reliance Industries Ltd.
Infosys Ltd.
ITC Ltd.
Bharti Airtel Ltd.
Larsen & Toubro Ltd.
Tata Consultancy Services Ltd.
State Bank of India
Axis Bank Ltd.

Samco C.A.R.E Momentum strategy Top constituents

Company's Name
Trent Ltd.
Bharat Electronics Ltd.
ICICI Bank Ltd.
Zomato Ltd.
Bajaj Finserv Ltd.
Interglobe Aviation Ltd
Divis Laboratories Ltd.
Bharti Airtel Ltd.
Sun Pharmaceuticals Industries Ltd
Vedanta Ltd.

Asset Allocation Strategy

Instruments	Indicative allocations (% of net assets)	
	Minimum	Maximum
Equity & Equity related instruments of Large Cap companies	80%	100%
Equity & Equity related instruments of other companies	0%	20%
Debt & Money Market Instruments	0%	20%
Units issued by REITs and InvITs	0%	10%

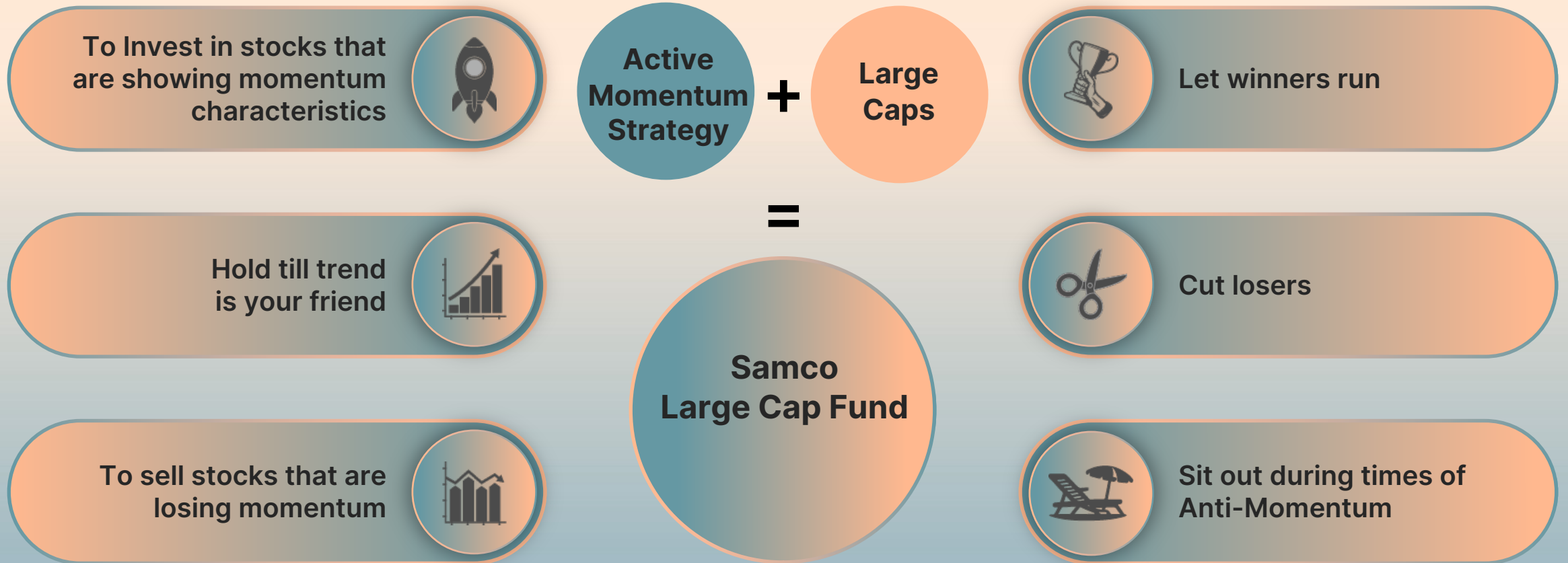


The scheme may invest up to 100% of its net assets in Equity and Equity-related instruments, with derivative exposure solely for hedging purposes. Hedging tools may be used for protection of downside.



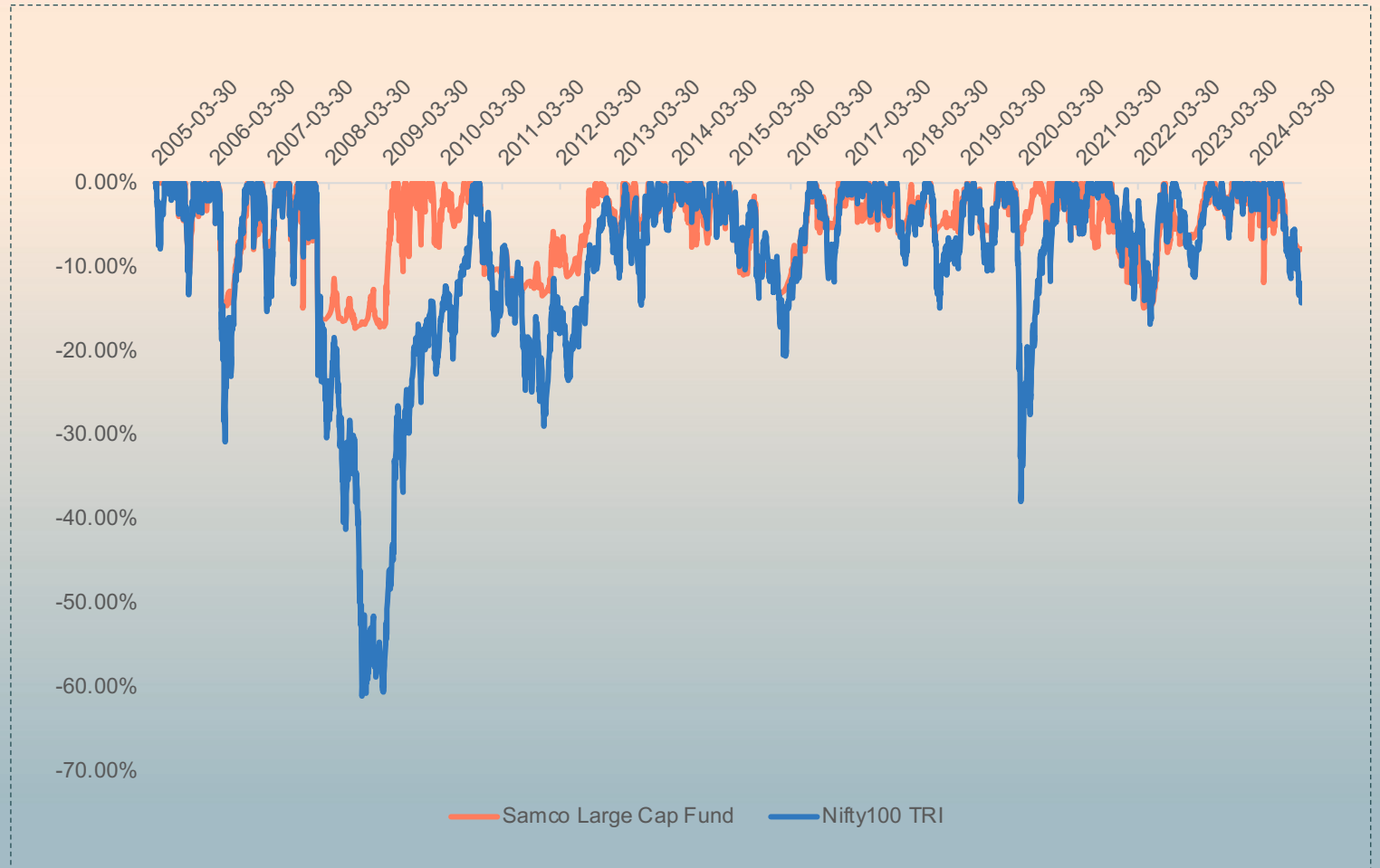
Why Samco Large Cap Fund?

The Pillars of the SAMCO Large Cap Strategy



SAMCO Large Cap Model uses hedging for lower drawdowns vs Benchmark

Hedging involves using financial instruments or strategies to offset potential losses in other investments.





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

Nirali Bhansali

Qualification: B.E., MBA (Finance)

Brief Experience: Mrs. Nirali Bhansali started out as a senior analyst at Samco Securities Ltd. and has been the Head of Equity Research. She has over 9 years of work experience with more than 7 years spanning capital markets and investment research. She has been instrumental in developing Samco's flagship research and investment products like HexaShield Framework, Stock Rating, StockBasket etc. by deep-diving into the business models and number crunching nitty-gritties of varied Indian companies. Her deep understanding of fundamental analysis has enabled her to provide cutting edge insights on various stocks. She is a regular panelist on media & business news channels such as Bloomberg Quint, Money9 Live, CNBC TV18 etc.



Fund Manager

Dhawal G. Dhanani

Qualification: B.Com, CA

Brief Experience: Mr. Dhawal Ghanshyam Dhanani started out as an equity research analyst at Samco Securities Ltd. He has around 8 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 multidisciplinary approach and working knowledge of fundamentals have aided the prime objective of guiding investors through insightful ideas for the long term.



Scheme Features



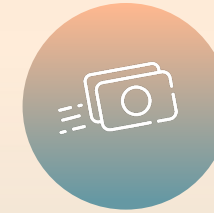
Benchmark

NIFTY 100 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.

Scheme Risk-o-meter

Samco Large Cap Fund

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

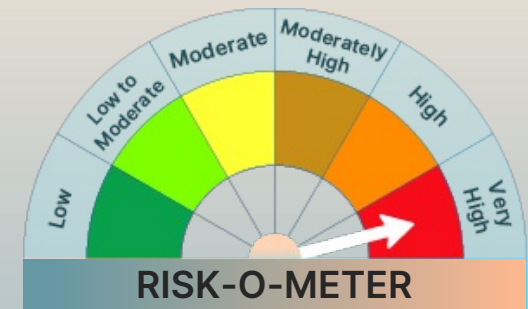
This product is suitable for investors who are seeking* :

- To generate long-term capital growth
- A fund that invests predominantly in equity and equity related securities of large cap companies

*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



The risk of the scheme
is Very High

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

Thank You