



Systematic Investment Plan

*a simple way to invest in equity
and create wealth*

February 2011

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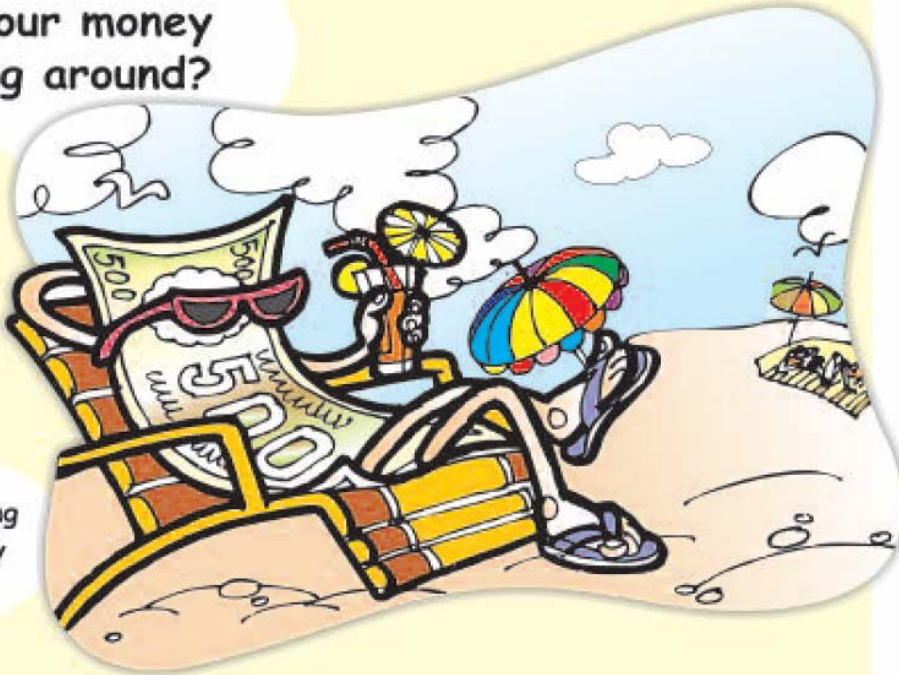
Mutual Fund Investments are subject to market risks. Please read the Statement of Additional Information (SAI) and Scheme Information Document (SID) carefully before investing. *Copy of the SAI, SID, key information memorandum and application form may also be obtained from the offices / investor service centres of Sundaram Asset Management, its distributors and at www.sundarammutual.com*

All mutual funds and securities investments are subject to market risks, and there can be no assurance or guarantee that fund's objectives will be achieved. NAV may go up or down, depending on the factors and forces affecting the securities market. Main types are market risk, liquidity risk, credit risk and systemic risks. At times, liquidity of investments may be impaired. There is uncertainty of dividend distribution and risk of capital loss. Past performance of the Sponsor/Asset Management Company/Fund does not indicate the future performance. Investors in the schemes are not being offered any guaranteed or indicated returns.

Sundaram Select Focus, Select Mid Cap, SMILE Fund are only the name of the scheme and does not in any manner indicate either quality or future prospects and returns.

For detailed disclosures on risk factors and disclaimers refer slide 33-37

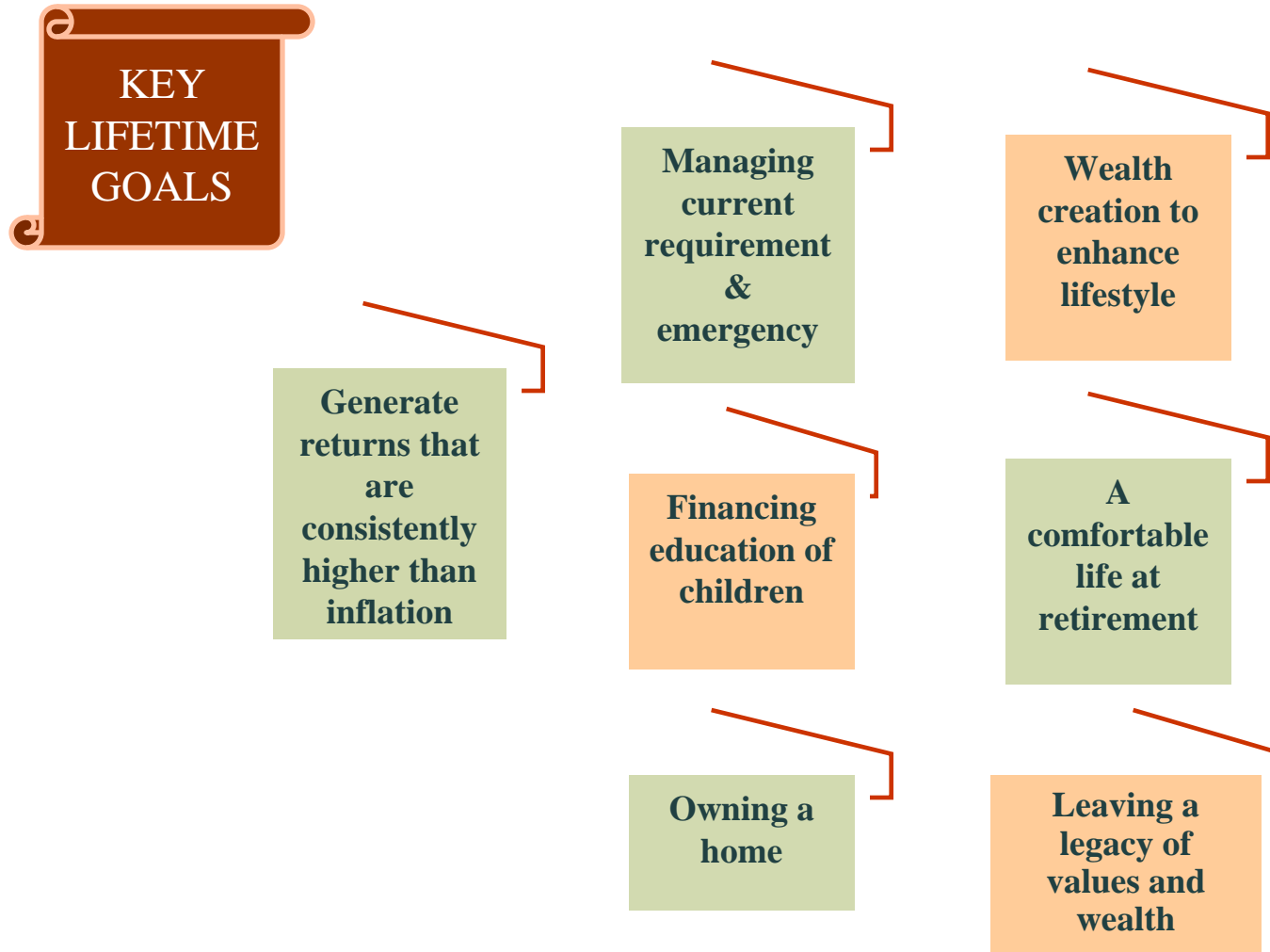
Is your money
lazing around?



Or is it working
systematically
for you?

**SIP, a powerful
tool for wealth
creation**

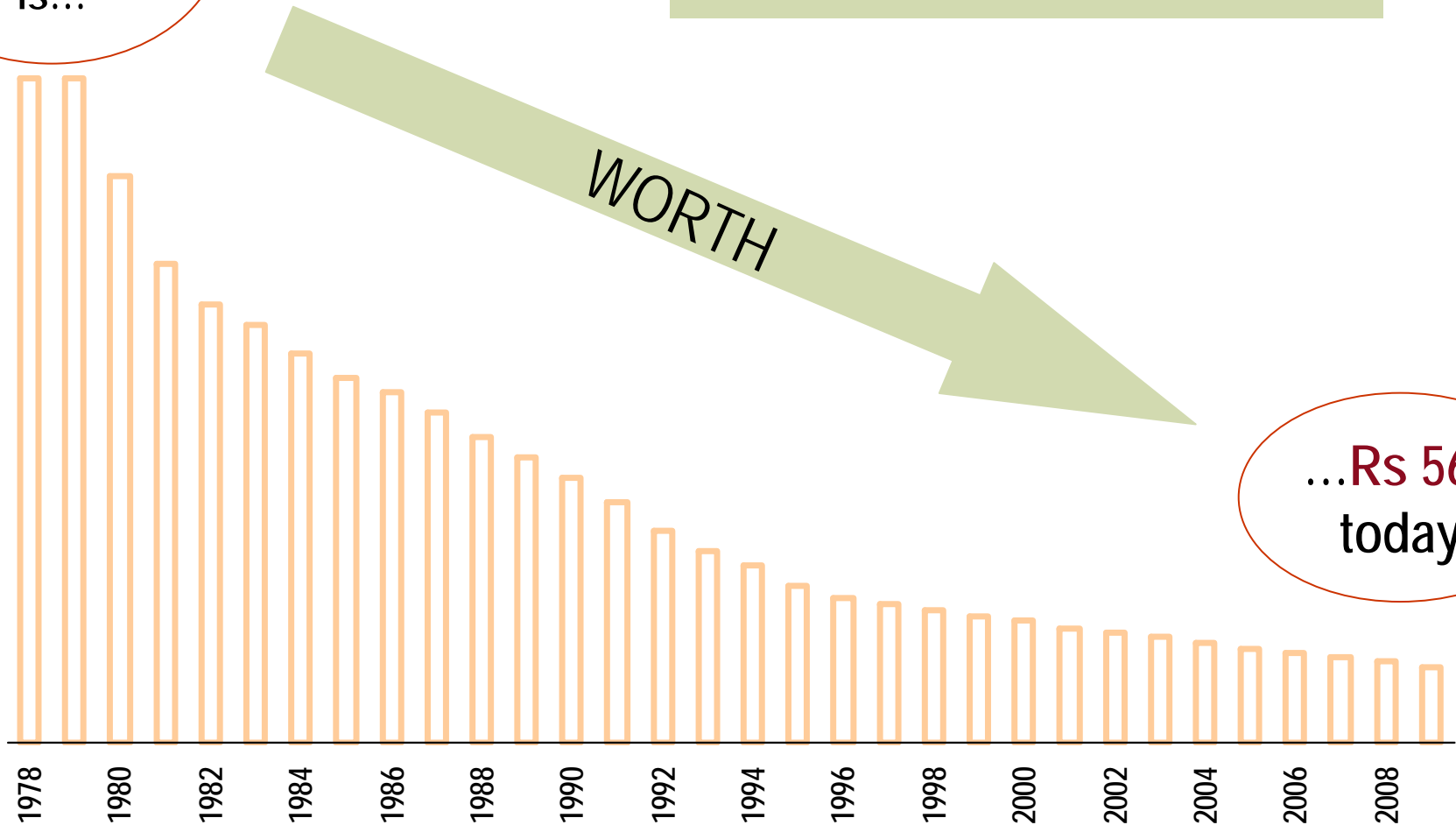
- Planning for lifetime goals
- Inflation beating returns
- Equity a superior asset class
- SIP route for wealth creation
- Start early for the effect of compounding
- Invest for long term
- Don't time the market
- Procedure to invest in SIP
- Track record of Sundaram Asset Management



- To achieve lifetime goals, wealth building is important
- *Investing for wealth building cannot happen overnight*
- The sooner you start, the better-placed you will be
- Disciplined saving and investment is a must
- Equity should figure prominently in your investment plan
- *To invest in stocks, you do not have to wait to accumulate a sizeable sum (Welcome to the friendly World of Systematic Investment Plan)*

Rs 5000, 30
years ago
is...

*Spending power erodes significantly
even with moderate inflation*

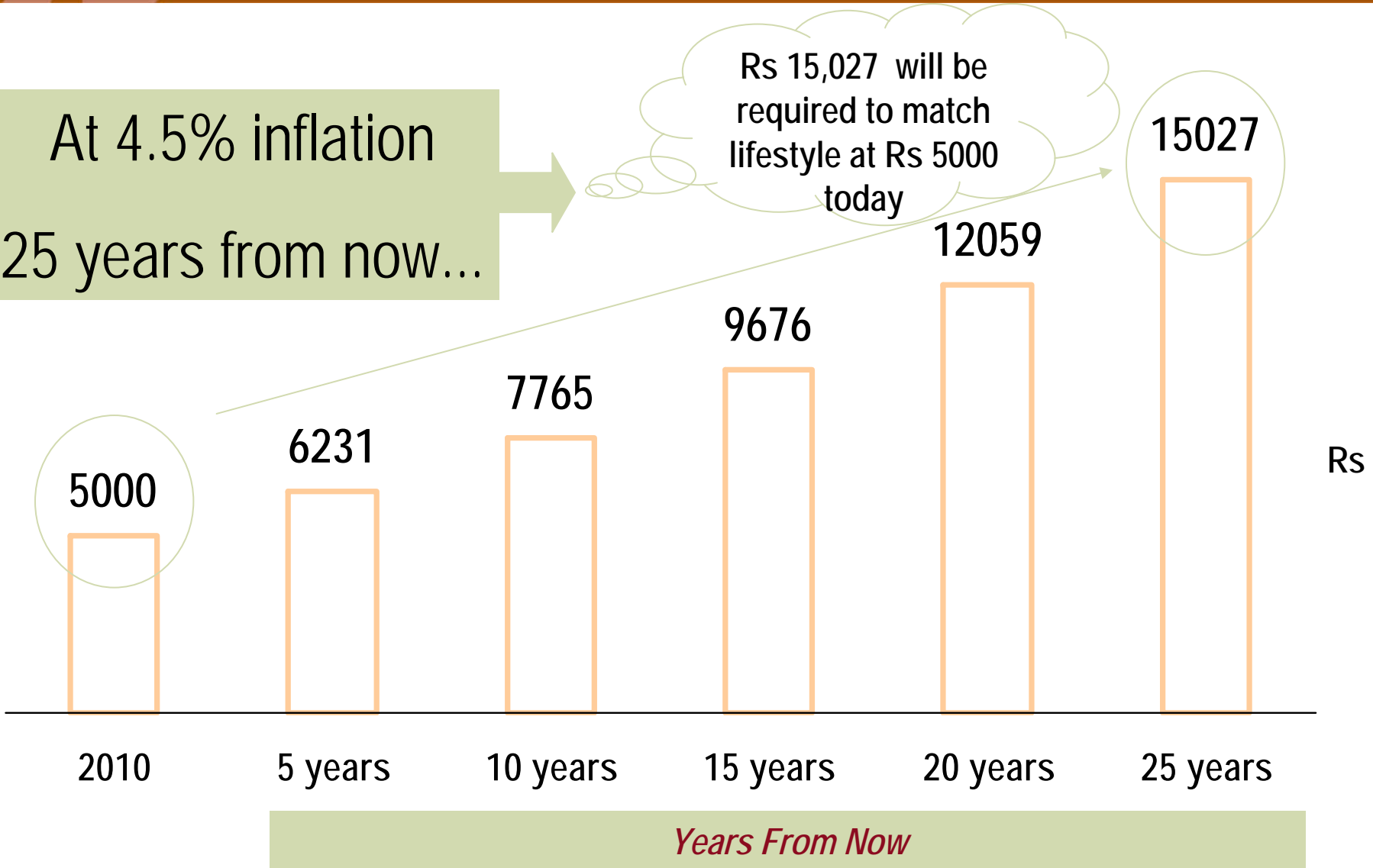


...Rs 569
today

Data Source: RBI & Analysis: In house

SIP Even low inflation will treble cost of living

At 4.5% inflation
25 years from now...



Inflation rate assumed is 4.5% per annum in line with RBI's comfort range. Source: RBI & Analysis: In house

- Average inflation during the past fifteen years has been about 7 per cent
- Equity returns have beaten inflation by a higher margin than gold or a bank FD over the past fifteen years
- *Wealth creation through equity will also enhance your real purchasing power in a manner other asset classes will be hard pressed to match*
- This is the most important reason why you must have equity in your portfolio

- *Make a small beginning today* using a Systematic Investment Plan (SIP)
- Invest a fixed sum at periodic intervals in an equity fund
- The SIP approach is similar to recurring deposits with banks
- With small sums, it is not appropriate to take direct exposure to equity
- Going the mutual fund way enables you to *buy a diversified portfolio for every rupee of your investment*

**“INVEST IN
THE MARKET
NOW?”**



Equity + SIP
=

Avenue to wealth creation

- Disciplined approach
- Regular investing in equity through a mutual fund
- A fixed amount of investment every month becomes integral part of budget
- No heed to market conditions; no effort to time the market
- Buying equity through mutual funds across bullish and bearish phases

- No stock calls or necessity to track the markets, as you have opted for a professional fund manager
- *No selling in panic or big-ticket buying in conditions of euphoria*
- Patience and a long-term approach are built-in benefits
- Choose Growth Option to maximise wealth creation
- Enjoy the *power of compounding in* enhancing your wealth

Rs 1000-a-month invested over different time periods is now worth

Value in Rs lakh

Asset Class	Years					
	30	25	20	15	10	5
Investment	3.6	3.0	2.4	1.8	1.2	0.6
Equity	70.4	37.1	14.2	7.1	4.0	1.3
Gold	12.9	10.6	8.5	6.2	3.4	1.0
FD	22.5	13.2	7.3	3.9	2.0	0.9
RD	9.7	6.9	4.7	3.1	1.8	0.8

Figures as of February 2011

Data Source: Bloomberg; Analysis: In house; Rs 1000-a-month invested in Equity is an investment made in Sensex

Value in Rs lakh

249.2



Mr. Happy

106

44.6

18.2

6.9

2.1

25 years

30 years

35 years

40 years

45 years

50 years

Starting age of investing

3.6

3.0

2.4

1.8

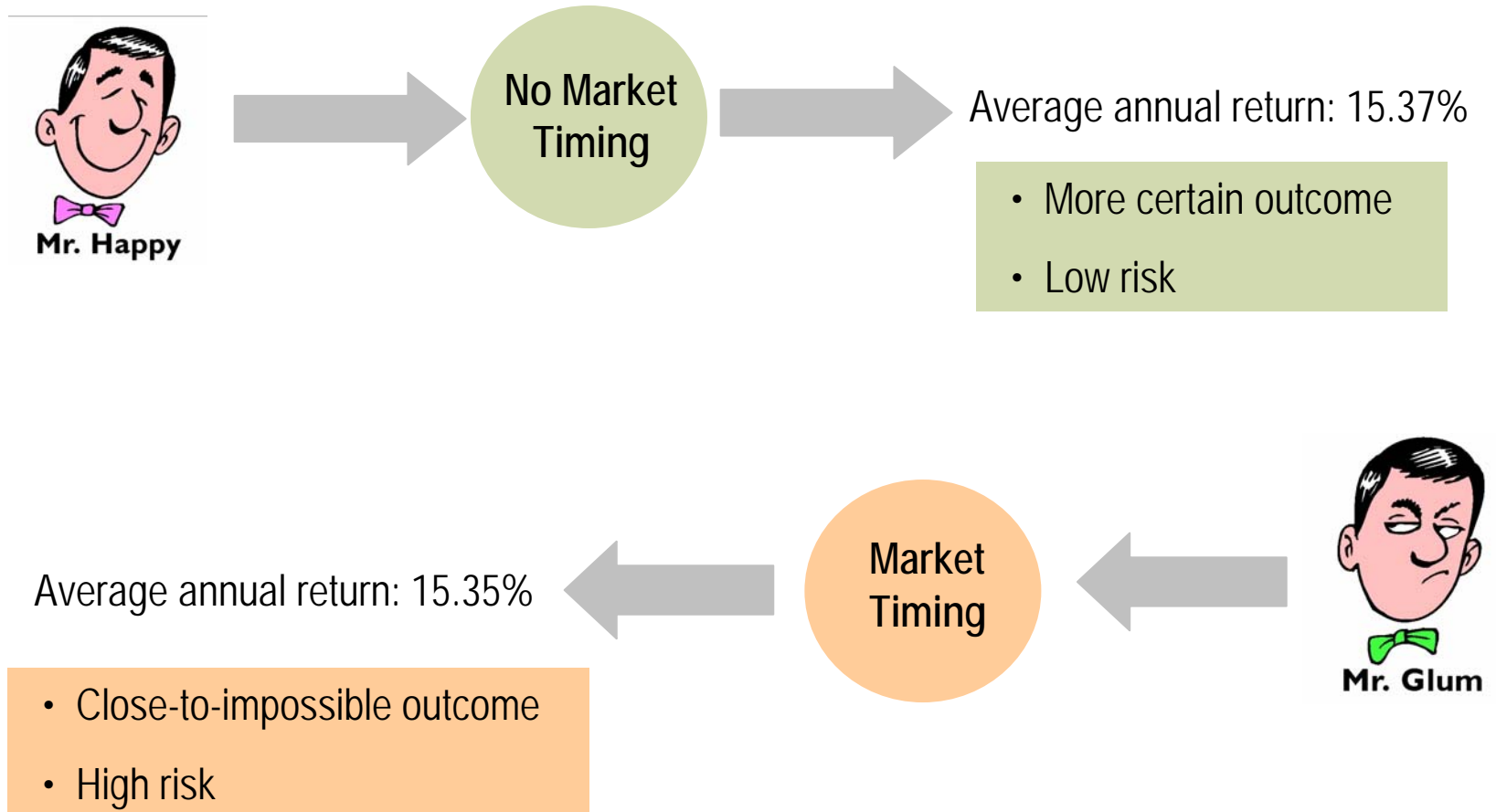
1.2

0.6

Amount Invested at Rs lakh

From age 25, Rs 1000-a-month could deliver Rs 2.5 crore at age 60

Average Annual Returns provided based on the analysis given in the next slide



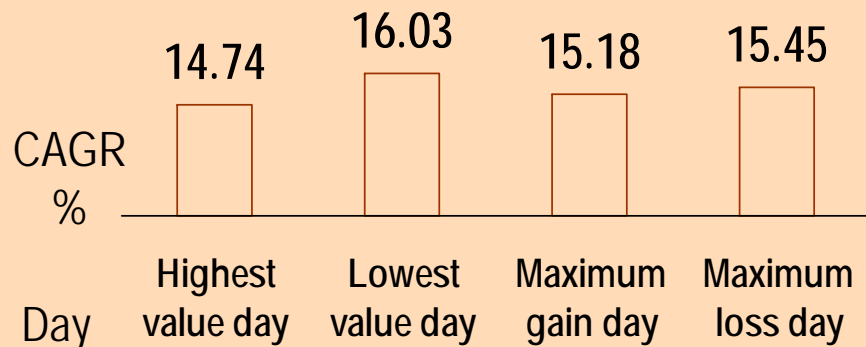
Figures as of February 2011; Data Source: Bloomberg; Analysis: In house

Market Timing

One-timed investment every year (Rs 12000)

Amount Invested in Sensex: 3,83,000

Value Rs Lakh	86.47	120.00	96.63	103.50
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One market-timed investment every year

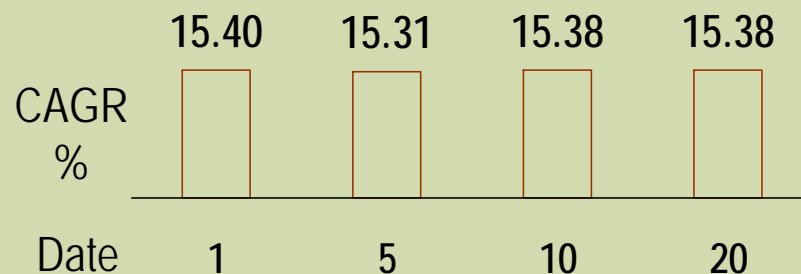
Probability of predicting each day every year successfully is .0040 and over 30 years, almost no chance – only more risk

No Market Timing

Periodic investment every month (Rs 1000)

Amount Invested in Sensex: 3,83,000

Value Rs Lakh	102.31	99.80	101.66	101.57
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Investment every month on specific dates

- Certain outcome over the past 31 years
- Risk only in line with the market and no more
- Practical approach for every investor

Figures as of February 2011; Data Source: Bloomberg; Analysis: In house

Risk-return profile for SIPs over different periods in Sensex

SIP period in months	12	36	60	120
% of SIP with positive returns	68	81	87	92
% of SIP with negative returns	32	19	13	8
Average annual returns	10	12	14	19



Data Source: Bloomberg; Analysis: In house using SKORe
as of February 2011

Longer your SIP period,

- greater the effect of compounding
- superior the wealth creation and
- lower the risk

Important to be invested at all times

Missing the best 10 days can reduce wealth creation by 65 per cent

Investment made during bearish/lackluster phases in the market contributes the most to a portfolio value over the long term

- You could choose to do an SIP for six or twelve months
- You will be better served by continuing the SIP for longer periods
- As you extend the SIP to longer periods, the risk of loss declines significantly
- Choose your funds carefully and then...
- ...for optimum benefits, choose an SIP period of five years
- Even as risk of loss declines, the power of compounding takes effect
- History of Sensex returns also indicates that the earlier you start and the longer you continue, the richer the rewards.



Performance of Rs 1000-a-month SIP

Period	Investment	Fund	Benchmark
	Rs	Rs	Rs
Since Launch	1,03,000	3,79,638	2,24,315
Last 7 years	84,000	1,78,342	1,23,088
Last 5 years	60,000	83,450	69,001
Last 3 years	36,000	48,396	43,026
Last 2 years	24,000	28,206	26,282
Last 1 year	12,000	10,863	10,392

Past performance may or may not be sustained in future. Return/investment value are as of February 28, 2011. Effective compounded annual return of a constant amount SIP every month in percentage are computed using NAV of Growth Option. Investment and value for the fund and benchmark are in rupees.



Performance of Rs 1000-a-month SIP

Period	Investment	Fund	Benchmark
	Rs	Rs	Rs
Since Launch	1,03,000	2,69,833	2,25,807
Last 7 years	84,000	1,46,813	1,39,325
Last 5 years	60,000	73,819	75,888
Last 3 years	36,000	41,249	43,773
Last 2 years	24,000	25,808	26,877
Last 1 year	12,000	11,202	11,623

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Performance of Rs 1000-a-month SIP

Period	Investment	Fund	Benchmark
	Rs	Rs	Rs
Since Launch	72,000	1,08,163	1,03,925
Last 5 years	60,000	79,877	79,000
Last 3 years	36,000	44,394	45,723
Last 2 years	24,000	25,809	27,320
Last 1 year	12,000	10,249	10,593

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Thank You

Past performance may or may not be sustained in future. Past performance is no guarantee of future result. Mutual Fund Investments are subject to market risks. Please read the Statement of Additional Information and Scheme Information Document carefully before investing. All mutual funds and securities investments are subject to market risks, and there can be no assurance or guarantee that fund's objectives will be achieved. NAV may go up or down, depending on the factors and forces affecting the securities market. **The names of the schemes do not in any manner indicate either quality or future prospects and returns.** For more details on fund-specific features, detailed risk factors and information on Sundaram Asset Management, please read the Statement of Additional Information and Scheme Information Document available at www.sundarammutual.com. Fund Type: The other funds referred in this document are open-end equity schemes. **Investment Objective: Sundaram Select Focus:** To achieve capital appreciation by investing in a very few select stocks. **Sundaram Select Mid Cap:** The objective of the scheme is to achieve capital appreciation by investing in diversified stocks that are generally termed as mid-caps. **Sundaram S.M.I.L.E (Small and Medium Indian Leading Equities Fund):** To primarily achieve capital appreciation by investing in diversified stocks that are generally termed as small and mid-caps and by investing in other equities. The Schemes do not guarantee / indicate any returns. **Asset Allocation: Sundaram Select Focus:** • Equity and equity-related instruments (including investment in derivatives): 75%- 100% • Cash, cash equivalents, money market instruments: Not exceeding 25% • Exposure in derivative shall not exceed 50% of the net assets of the scheme • The Scheme may invest up to 35% of the net assets in overseas securities. The scheme can at any time hold upto a maximum of 50 stocks. **Sundaram Select Mid Cap:** • Equity and equity-related instruments (including investment in derivatives): 75%-100% • Cash, cash equivalents, money market instruments: not exceeding 25% • Exposure in derivative shall not exceed 50% of the net assets of the scheme • The Scheme may invest up to 35% of the net assets in overseas securities. **Sundaram S.M.I.L.E Fund:** • Equity instruments – small-cap and mid-cap stocks (including investments in derivatives): At least 65% • Other Equities (including investment in derivatives): Not exceeding 35% • Money market instruments: Not exceeding 15% • Exposure in derivative shall not exceed 50% of the net assets of the scheme • The Scheme may invest up to 35% of the net assets in overseas securities.

Pending deployment of funds in terms of the investment objective, the funds may be invested in short-term deposits with scheduled commercial banks in accordance with applicable SEBI guidelines.

Open equity funds referred in this document: **Minimum Investment Amount:** Rs 5,000. **Entry load:** There is no entry load. **Exit Load:** 1% if redeemed within 12 months from date of allotment for Regular Plan & Institutional Plan. There is no exit load for bonus units and dividend re-investment. NAV publication/sale/redemption is available on business days.

Scheme-Specific Risk Factors: *Applicable for all funds:* Change in Government policy in general and changes in tax benefits applicable to mutual funds may impact the returns to Investors.

Applicable to equity schemes: For any overseas investments in the equity funds, country risk, currency risk and geopolitical risk, to name a few. *Sundaram Select Focus:* Higher volatility due to a concentrated portfolio. *Sundaram Select Mid Cap:* Lack of liquidity at times and volatility *Sundaram Small and Medium Indian Leading Equities Fund (S.M.I.L.E) Fund:* Small-cap stocks are generally more illiquid. **General Risk Factors: All mutual funds and securities investments are subject to market risks, and there can be no assurance or guarantee that fund's objectives will be achieved. NAV may go up or down, depending on the factors and forces affecting the securities market.** Main types are market risk, liquidity risk, credit risk and systemic risks. At times, liquidity of investments may be impaired. There is uncertainty of dividend distribution and risk of capital loss. Past performance of the Sponsor/Asset Management Company/Fund does not indicate the future performance. Investors in the schemes are not being offered any guaranteed or indicated returns. **The names of the schemes referred in this document do not in any manner indicate either quality or future prospects and returns.** **General Disclaimer:** This document is issued by Sundaram Asset Management, an investment manager registered with the Securities and Exchange Board of India in India and is produced for information purposes only. ***It is not a prospectus or scheme information document offer document or an offer or solicitation to buy any securities or other investment or Scheme Information Document,***

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