

Sundaram Business Cycle Fund

An open ended equity scheme following business cycles based investing theme



SUNDARAM MUTUAL
— Sundaram Finance Group —

Fund Insights - May 2026

	Month End AUM	₹ 1,576 Cr.
	Total Stocks #	42
	Top 10 Stocks as % Total Portfolio	35.3%
	Benchmark (Tier I)	Nifty 500 TRI

FUND FACTS & FEATURES

	Fund Managers Mr. Madanagopal Ramu (Equity) Mr. Dwijendra Srivastava & Mr. Sandeep Agarwal (Fixed Income)
	Launch June 2024
	Minimum Investment Rs.100/- per application and multiples of Rs.1/- thereafter
	SIP Weekly: Rs. 1000, Monthly: Rs. 100, Quarterly: Rs. 750
	Exit Load Within 365 days from the date of allotment: 1%. >365 days: Nil

FUND MANAGER UPDATE

Stock Picks: Maintain a bottom-up, conviction-led approach within a thematic framework. The recent correction has been used to rebuild the portfolio around segments where the next cyclical leg is most visible, and step back from segments where growth has matured.

Active Bets: Sized additions in Lending Financials, Electrical Equipment, Mid-cap IT Services, Capital Markets and Transport Services — the cleanest expressions of the Fund's four anchoring themes.

CONVICTION SECTORAL POSITIONING

Overweight (O/W)

Manufacturing — Overweight Electrical Equipment: The cleanest pure-play on the capex up-cycle, with order books visible across power, defence and renewables, and under-levered balance sheets ready to spend. Position built from zero to a meaningful weight.

Urbanisation, Formalisation & Premiumisation — Overweight Lending Financials, Capital Markets, Transport Services and Selective Discretionary: The largest thematic cluster. Lending Financials capture formalisation of credit; Capital Markets the deepening of household savings; Transport Services the formalisation of supply chains and domestic travel; premium spirits, entertainment and selectively scaled e-commerce capture premiumisation among Gen Z and millennials.

Technology — Overweight Mid-cap IT / AI-adopters: An AI-adoption story, not AI-manufacturing. Mid-sized players in logistic-led, or platform IT are attractive on valuation after the AI correction. Large-cap IT, where the growth path is less clear, is avoided.

Underweight defensives and matured cycles: Telecom, an oversized large private bank, parts of Auto Components and Consumer Durables have been pulled back. Generic IT services, paints and select industrials where the GARP thesis broke have been exited cleanly.

FUND MANAGER OUTLOOK

Conditions for the next cyclical leg are largely in place. Market-cap to GDP has moved from 141% in December 2025 to 119% in March 2026, corporate leverage is at multi-year lows, and system liquidity is supportive. The Iran-US conflict is the most material near-term variable: a short, supply-disruption-led episode would leave the earnings cycle intact; a protracted one would push the recovery further out. The engine is stable; the repositioning is about where the next mile of road runs.

MACRO FACTORS CREATE LONG TERM CYCLES / THEMES



FORMALISATION OF INDUSTRIES & URBANISATION CONSUMPTION



RENEWABLE & ELECTRIFICATION



DATA PENETRATION & AI ADOPTION

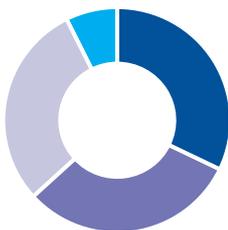


CORPORATE TURNAROUNDS

- It is a dynamic thematic fund investing in long term emerging mega trends
- Mega trends (like EV, renewable energy etc) create business cycles which can outperform over a longer tenure
- Lower correlation with sectoral cycles
- Unique concentrated exposure
- Themes cut across sectors – so more diversified portfolio

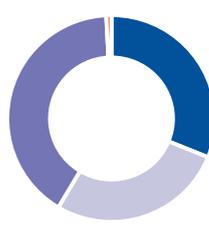
MACRO FACTORS DRIVE LONG TERM BUSINESS CYCLE

PORTFOLIO – THEME CLASSIFICATION



	Make in / For India – Manufacturing	31.1%
	Urbanisation /Premiumization & Formalization	29.5%
	Strategic Shift	7.4%
	Technology Transition & Digitalization	32.1%

MARKET CAP PROFILE



	Large Cap	31.1%
	Mid Cap	27.4%
	Small Cap	40.7%
	Cash & Others	0.8%

TOP 5 SECTORS

