

Multi Asset Allocation Fund

An open-ended scheme investing in Equity, Debt & Money Market Instruments and Gold ETFs

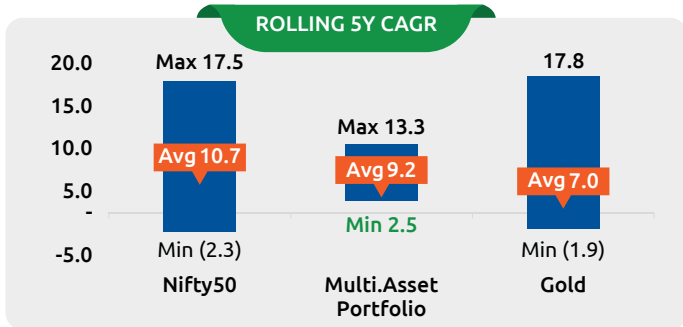
NFO Opens: Jan 5, 2024
NFO Closes: Jan 19, 2024

DYNAMIC CHANGE IN LEADERSHIP ACROSS ASSET CLASSES^{€€}

	CY10	CY11	CY12	CY13	CY14	CY15	CY16	CY17	CY18	CY19	CY20	CY21	CY22	CYTD - Sep'23
Nifty50	17.9	-24.6	27.7	6.8	31.4	-4.1	3.0	28.6	3.2	12.1	14.9	24.1	4.3	8.5
Gold	23.5	31.7	12.3	-4.5	-7.9	-6.6	11.3	5.1	7.9	23.8	28.0	-4.2	13.9	5.6
10Y G-sec	7.8	8.3	8.3	8.1	8.6	7.8	7.2	6.7	7.7	6.9	6.1	6.2	7.2	7.2

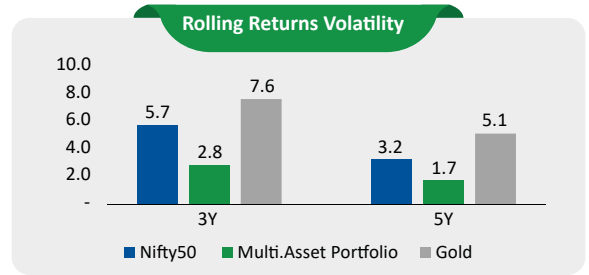
- ▶ Performance across asset classes exhibit different levels of correlation based on economic cycles and policy action
- ▶ Gold has outperformed Domestic Equities and Debt 50% of the years since CY10
- ▶ Since FY10, global central bank actions have accentuated the importance of Asset allocation and the need to diversify across asset classes with low correlation

ASSET ALLOCATION OPTIMIZES RETURNS^{€€}



- ▶ Minimum returns of the portfolio is higher than Nifty 50 and Gold. Portfolio returns are positive throughout the reference period.

ASSET ALLOCATION MINIMIZES RISK^{€€}



- ▶ Reduces portfolio volatility significantly limiting impact during tail events
- ▶ Portfolio volatility meaningfully lower than individual asset classes.

GOLD ADVANTAGE^{€€}

- ▶ Exposure to uncorrelated assets significantly reduces portfolio downside and buffers overall performance during phases of sharp equity drawdowns.
- ▶ Currency depreciation helps to enhance gold returns.
- ▶ Previous rate cut cycles from the Fed have seen an appreciable increase in global gold prices.

CORRELATION AMONG ASSET CLASSES

	Nifty50	Gold	Fixed Income*
Nifty50	1.00		
Gold	-0.09	1.00	
Fixed Income*	-0.02	0.00	1.00

- ▶ Since 2010, Domestic Equities have exhibited price performance very similar to Gold.
- ▶ Domestic equities also bear a very low correlation with Gold.

DIVERSIFICATION ACROSS ASSET CLASSES AT EQUITY TAXATION^{€€}

Illustration

	ASSET ALLOCATION DONE INDIVIDUALLY				Multi Asset Fund at (65:25:10)
	Nifty50	Gold ETF	Fixed Income	Combined*	
Avg 5Y Rolling CAGR%^	10.7	7	7.7		9.6
Taxation	10%	30%	30%		10%
Post-tax Avg 5Y Rolling CAGR%	9.8	5.1	5.6	8.3	8.8

* Combined tax-adjusted CAGR is computed assuming individual asset allocation done in 65:25:10 ratio

** Assumes individual is taxed at maximum marginal tax rate. ^Data based on Jan 2010 to Sep 2023. Rolling Returns calculated on daily basis. Past performances may or may not sustain in future.

- ▶ Multi asset fund structure provides diversification at lower tax rates viz, taking exposure to Gold at Equity taxation
- ▶ Removes tax inefficiencies associated with active individual asset allocation

€€Source: Bloomberg and Sundaram Asset Management; Computation: In-house. Data from Jan 2010 to Sep 2023. Rolling Returns calculated on a daily basis. Multi asset model portfolio considers theoretical allocation of 25 percent to MCX Gold, 10 percent to 10Y G-sec and rest towards Nifty 50. Equity allocation to Nifty 50 ranges from 50 pct to 65 percent based on asset allocation framework using market valuations and balanced towards arbitrage positions. ^ Volatility as measured by Standard Deviation of rolling returns of asset classes. Past performance may or may not be sustained in the future.

INDICATIVE ASSET ALLOCATION

EQUITIES

- » Gross Equity Allocation: 65-70 percent
- » Dynamic management of net long equity allocation between 50-70 percent
- » Judicious use of arbitrage to maintain gross exposure

GOLD

- » Gold ETFs: ~20-25 percent
- » Rebalance every month to maintain allocation

FIXED INCOME

- » Gsecs/AAA: 10-15 percent
- » Focus on accrual

INVESTMENT STRATEGY

Equity

- » Multi Cap Portfolio of 50-60 stocks
- » 75 -80% allocation to large caps
- » Ability to use midcaps to enhance returns

Gold

- » Gold Portfolio of large liquid ETFs
- » Consistent exposure of 20-25% to mimic investors behavior of holding gold for the long term
- » Gold returns from
 - ▶ Commodity appreciation
 - ▶ Average annual INR depreciation of 3-4%

Fixed Income

- » High quality paper with focus on accrual
- » AAA-rated bonds and Gsecs with medium duration.

FUND FACTS

Fund	Sundaram Multi Asset Allocation Fund	Minimum Application amount	Lumpsum: First Investment: Rs.100/- and multiples of Re.1/- thereafter. SIP: Daily: Rs. 100/- (minimum 3 months) Weekly: Rs.1,000/-(6 Instalments) Monthly: Rs.100/-(6 Instalments); Quarterly: Rs.750/-(6 Instalments). SIP Dates: Any Day (1st to 31st) for Monthly and Quarterly Frequency; For Weekly Frequency - Every Wednesday SIP Top-up facility: Half yearly/Annual Minimum Rs.500 and in multiples of Re.1/-
Scheme Type	An Open Ended Scheme investing in Equity, Debt & Money Market Instruments and Gold ETFs.	Exit Load	If units purchased or switched in from another scheme of the fund are redeemed / switched out within one year from the date of allotment For up to 30% of such units – NIL; For more than 30% of units - 1% of applicable net asset value
Investment Objective	The investment objective of the scheme is to generate long term capital appreciation by investing in Equity & Equity related Securities, Debt & Money Market Instruments and Gold ETFs		If units purchased or switched in from another scheme of the Fund are redeemed or switched out after 1 Year from the date of allotment – NIL
Benchmark	NIFTY 500 TRI (65%) + NIFTY Short Duration Debt Index (10%) + Domestic Prices of Gold (25%)		
Fund Managers	Rohit Seksaria & Bharath S (Equity); Mr. Dwijendra Srivastava & Mr. Sandeep Agarwal (Fixed Income); Arjun Nagarajan (Gold ETFs)		
Plans & Options	Regular & Direct Plan; Growth, Income Distribution cum Capital Withdrawal (Payout, Re-investment and Transfer)		

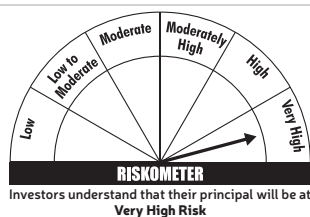
RISKOMETER

This product is suitable for investors who are seeking*

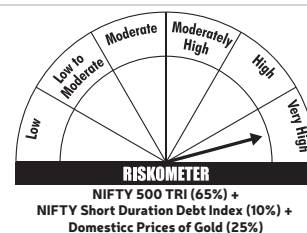
- » Long term capital growth.
- » Equity & Equity related Securities, Debt & Money Market Instruments, Gold ETFs.

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

Fund Riskometer



Benchmark Riskometer



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