

## L&T Emerging Businesses Fund

### *A small cap focused strategy aimed at delivering higher alpha*

Smaller companies which are in a relatively early stage of growth phase, typically offer significantly higher long term growth potential compared to their established larger counterparts. There are large number of such emerging businesses across sectors that are listed on the Indian exchanges and several of these companies could witness sustained superior growth to become larger businesses over a period of time. However, it is also true that not all of these businesses would be successful because such smaller businesses are often faced with relatively higher uncertainty in terms of their business and profit growth. Therefore it is necessary to spot the long term winners among a host of small cap companies which are available for investment, to be able to benefit from their growth potential.

**L&T Emerging Businesses Fund is an open-ended equity scheme which focuses on spotting such investment opportunities predominantly in the small cap segment of the market. The Fund adopts a bottom-up stock selection approach and aims to own small cap businesses with strong long term growth potential, available at reasonable valuations.**

### Asset Allocation Pattern

Instruments	Indicative allocation (%)		Risk profile
	Max	Min	
Equity and equity related securities of small cap companies	100	50	High
Equity and equity related securities*(including Indian and foreign equity securities as permitted by SEBI/RBI^)	35	0	High
Debt and money market instruments	35	0	Low to Medium

\*Includes investments in equity derivatives up to 25% of the net assets of the Scheme. ^ The Scheme may invest in Foreign Securities upto 10% of its net assets subject to the Eligible Investment Amount. Investments in Foreign Securities shall be subject to the investment restrictions specified by SEBI/RBI from time to time.  
Note: Small cap is defined as stocks beyond top 200 in terms of market capitalization

### Investment Approach

- ❖ Focus on investing in companies which are in the early stage of development and have the potential to grow their revenue and profits at a higher rate as compared to broader market
- ❖ At least 50% exposure to stocks beyond top 200, in terms of market capitalization
- ❖ Bottom-up stock selection using our proprietary G.E.M investment approach
- ❖ Valuation plays an important role in all investment decisions – focus on investing in stocks with adequate margin of safety
- ❖ Strong risk management framework - a well diversified portfolio with focus on managing liquidity and other portfolio risks

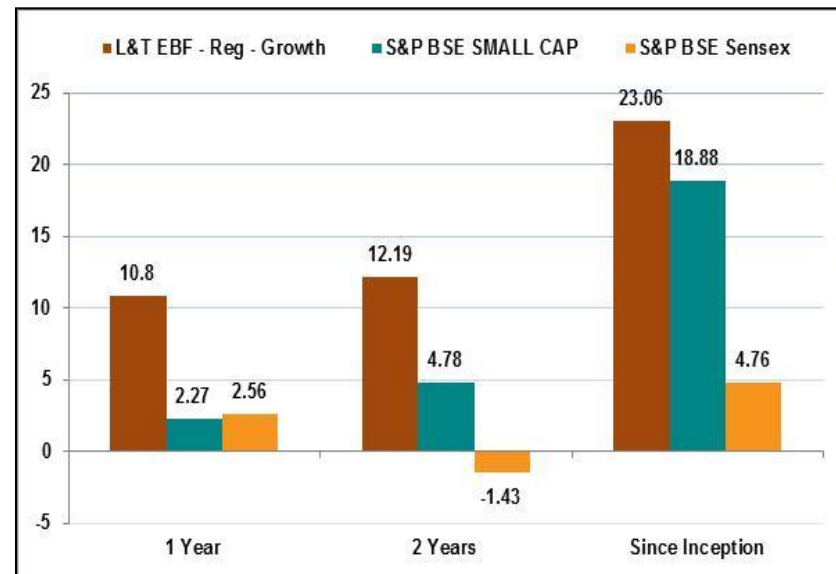
### Why invest in L&T Emerging Businesses Fund?

1. The Fund invests predominantly in small and micro cap stocks / businesses - a segment that offers strong long term growth potential
2. The Fund has a proven performance track record of generating alpha (please refer to the chart alongside)
3. In the current scenario where earnings are expected to recover and grow significantly over the next few years, Small and micro cap stocks, if chosen carefully could deliver significantly better performance
4. Experienced investment team with lead fund manager having experience of over 20 years in Indian equities; Strong focus on risk management which is critical while investing in emerging businesses
5. Optimum fund size to capitalize on the investment opportunities in the small and micro cap segment of the market

### Who is this fund suitable for?

- ❖ Investors looking to benefit from superior long term business growth potential of emerging businesses
- ❖ A potentially high alpha product suitable for aggressive investors with long term investment horizon
- ❖ Investors having portfolios that are skewed towards large cap or diversified funds and looking for style diversification / differentiated portfolio
- ❖ Investors having investment horizon of at least 3-5 years

### Performance as on 30.12.2016

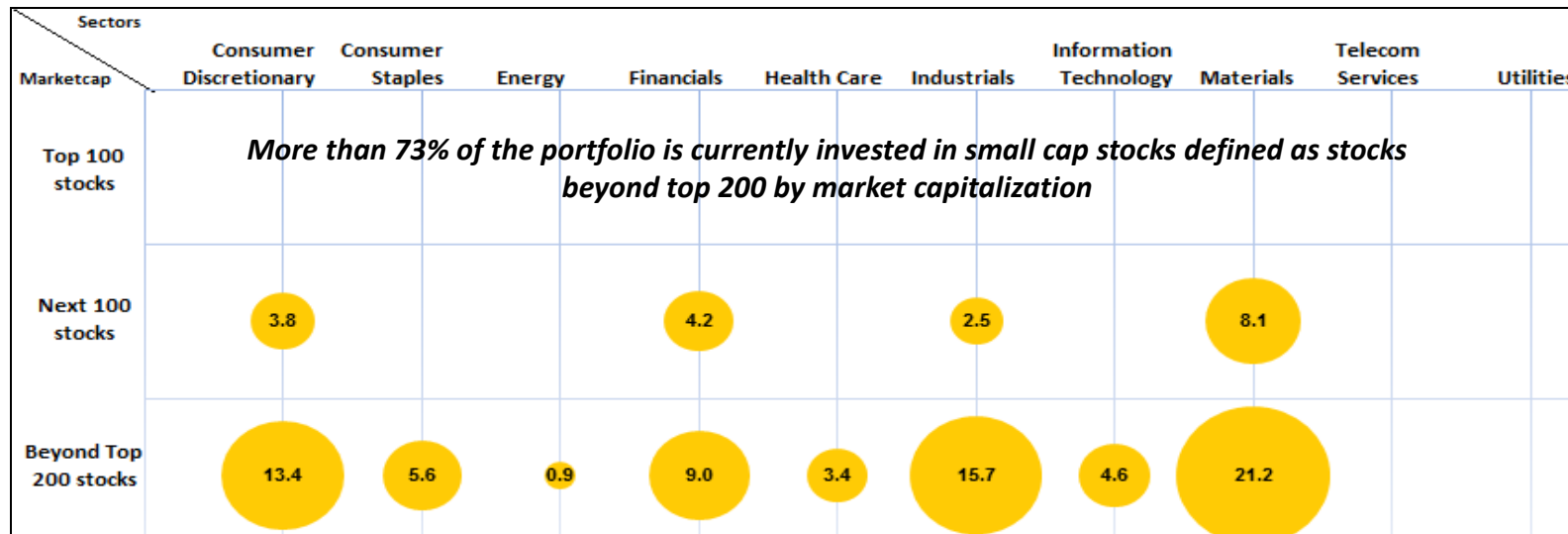


### Performance in SEBI Format

	Absolute Returns		Date of inception of scheme
	31-Dec-15 to 30-Dec-16	31-Dec-14 to 31-Dec-15	
L&T EBF - Reg - Growth	10.21%	12.32%	12/05/2014
S&P BSE SMALL CAP	1.77%	6.76%	
S&P BSE Sensex^	1.95%	-5.03%	

**Past performance may or may not be sustained in the future.** \* Point to Point (PTP) Returns in INR show the value of Rs. 10,000/- invested ^Standard Benchmark Note: As per the SEBI standards for performance reporting, the since inception return is calculated on NAV of Rs.10/- invested at inception. CAGR is compounded annualized. Date of inception is deemed to be date of allotment. **For Product labeling please refer to page 4 of this document.**

## L&T Emerging Businesses Fund - Sector wise / market cap segment wise exposure of portfolio – 31-01-2017



### Top 10 equity holdings as on 31.01.2017

Company	% of Net Assets
Indian Bank	2.69%
Swaraj Engines Limited	2.65%
Sterlite Technologies Limited	2.46%
Aarti Industries Limited	2.38%
The Ramco Cements Limited	2.26%
Coromandel International Limited	2.14%
Carborundum Universal Limited	2.01%
Supreme Petrochem Limited	2.01%
Future Lifestyle Fashions Limited	2.00%
Dalmia Bharat Limited	1.90%

### Scheme Features / Fund Facts

- ❖ **Type:** An open-ended equity scheme
- ❖ **Scheme Benchmark:** S&P BSE Small Cap Index
- ❖ **Fund Manager:** Soumendra Nath Lahiri and Karan Desai (for investment in foreign securities)
- ❖ **Minimum Initial Application Amount:** Rs. 5000
- ❖ **Minimum Additional Application Amount:** Rs. 1,000 per application and in multiples of Re.1 thereafter
- ❖ **Exit Load:** 1% if redeemed within 1 year from the date of allotment or purchase applying first in first out basis
- ❖ **Fund Size:** Rs. 506.46 crore (as on 31.01.2017)
- ❖ **Inception date:** 12-May-2014

## Product Labeling L&T Emerging Businesses Fund ("L&TEBF")

### Scheme name and type of scheme

An open-ended equity scheme

**Investment Objective:** To generate long-term capital appreciation from a diversified portfolio of predominantly equity and equity related securities, including equity derivatives, in the Indian markets with key theme focus being emerging companies (small cap stocks). The Scheme could also additionally invest in Foreign Securities.

Emerging companies are businesses which are typically in the early stage of development and have the potential to grow their revenues and profits at a higher rate as compared to broader market.

There is no assurance that the objective of the Scheme will be realised and the Scheme does not assure or guarantee any returns.

This product is suitable for investors who are seeking\*:

- Long term capital appreciation
- Investment predominantly in equity and equity-related securities, including equity derivatives in Indian markets with key theme focus being emerging companies (small cap stocks); and foreign securities



Investors understand that their principal will be at high risk

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

### Disclaimer

This document is for general information only and does not have regard to specific investment objectives, financial situation and the particular needs of any specific person who may receive this information. This document provides general information on financial planning and comparisons made are only for illustration purposes. The data/information used/disclosed in this document is only for information purposes and not guaranteeing / indicating any returns. Investments in mutual funds and secondary markets inherently involve risks and recipient should consult their legal, tax and financial advisors before investing. Recipient of this presentation should understand that statements made herein regarding future prospects may not be realized. He/ She should also understand that any reference to the indices/ sectors/ securities/ schemes etc. in the document is only for illustration purpose. The securities indicated in the presentation may or may not form a part of the portfolio of the Scheme as on the date of receipt of the document. Neither this presentation nor the units of L&T Mutual Fund have been registered in any jurisdiction except India. The distribution of this document in certain jurisdictions may be restricted or totally prohibited and accordingly, persons who come into possession of this document are required to inform themselves about, and to observe, any such restrictions. Recipient of this information should understand that statements made herein regarding future prospects may not be realized or achieved.

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

**CL04114**

### Performance of other schemes managed by the Fund Managers

#### Funds Managed by Mr. Soumendra Nath Lahiri

Regular Plan	Absolute Returns (Period)			Date of Inception of the Scheme	Since Inception	
	31/Dec/2015-30/Dec/2016	31/Dec/2014-31/Dec/2015	31/Dec/2013-31/Dec/2014		CAGR Returns (%)	PTP Returns* (in ₹)
L&T Equity Fund (G)	3.58	0.29	50.27	16/May/2005	17.02	62215.00
S&P BSE-200	3.95	-1.48	35.47		12.80	40607.54
S&P BSE SENSEX^	1.95	-5.03	29.89		12.85	40787.89

Regular Plan	Absolute Returns (Period)			Date of Inception of the Scheme	Since Inception	
	31/Dec/2015-30/Dec/2016	31/Dec/2014-31/Dec/2015	31/Dec/2013-31/Dec/2014		CAGR Returns (%)	PTP Returns* (in ₹)
L&T Tax Advantage Fund (G)	8.13	2.90	44.75	27/Feb/2006	13.75	40440.00
S&P BSE-200	3.95	-1.48	35.47		9.68	27242.78
S&P BSE SENSEX^	1.95	-5.03	29.89		9.17	25895.96

Regular Plan	Absolute Returns (Period)			Date of Inception of the Scheme	Since Inception	
	31/Dec/2015-30/Dec/2016	31/Dec/2014-31/Dec/2015	31/Dec/2013-31/Dec/2014		CAGR Returns (%)	PTP Returns* (in ₹)
L&T India Special Situations Fund (G)	4.36	1.49	51.02	22/May/2006	12.88	36178.00
S&P BSE 200	3.95	-1.48	35.47		9.94	27348.03
S&P BSE SENSEX^	1.95	-5.03	29.89		9.18	25402.64

Regular Plan	Absolute Returns (Period)			Date of Inception of the Scheme	Since Inception	
	31/Dec/2015-30/Dec/2016	31/Dec/2014-31/Dec/2015	31/Dec/2013-31/Dec/2014		CAGR Returns (%)	PTP Returns* (in ₹)
L&T Midcap Fund (G)	9.79	10.77	81.61	09/Aug/2004	20.34	99350.00
Nifty Free Float Midcap 100	7.13	6.46	55.91		16.69	67783.45
S&P BSE SENSEX^	1.95	-5.03	29.89		14.02	50879.79

Regular Plan	Absolute Returns (Period)			Date of Inception of the Scheme	Since Inception	
	31/Dec/2015-30/Dec/2016	31/Dec/2014-31/Dec/2015	31/Dec/2013-31/Dec/2014		CAGR Returns (%)	PTP Returns* (in ₹)
L&T Infrastructure Fund (G)	8.56	6.78	65.53	27/Sep/2007	1.80	11800.00
Nifty 50	3.01	-4.06	31.39		5.46	16369.80
S&P BSE SENSEX^	1.95	-5.03	29.89		4.86	15525.13

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	31/Dec/2015-30/Dec/2016	31/Dec/2014-31/Dec/2015	31/Dec/2013-31/Dec/2014		CAGR Returns (%)	PTP Returns* (in ₹)
L&T India Prudence Fund (G)	4.34	9.93	44.48	07/Feb/2011	13.16	20738.00
Benchmark\$	5.94	1.73	27.64		8.45	16137.53
S&P BSE SENSEX^	1.95	-5.03	29.89		6.83	14761.98

Past performance may or may not be sustained in the future. \* Point to Point (PTP) Returns in INR show the value of Rs. 10,000/- invested ^Standard Benchmark  
 Note: As per the SEBI standards for performance reporting, the since inception return is calculated on NAV of Rs. 10/- invested at inception. CAGR is compounded annualized. Date of inception is deemed to be date of allotment. Performance of L&T Dynamic Equity Fund is not shown as the Fund had undergone change in its fundamental attributes and it has not completed 1 year since then. \$70% - S&P BSE 200 Index and 30% - CRISIL Short Term Bond Fund Index.

### Performance of other schemes managed by the Fund Managers

#### Funds Managed by Mr. Karan Desai

Regular Plan	Absolute Returns (Period)			Date of Inception of the Scheme	Since Inception	
	31/Dec/2015-30/Dec/2016	31/Dec/2014-31/Dec/2015	31/Dec/2013-31/Dec/2014		CAGR Returns (%)	PTP Returns* (in ₹)
L&T Equity Fund (G)	3.58	0.29	50.27	16/May/2005	17.02	62215.00
S&P BSE-200	3.95	-1.48	35.47		12.80	40607.54
S&P BSE SENSEX^	1.95	-5.03	29.89		12.85	40787.89
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L&T India Special Situations Fund (G)	4.36	1.49	51.02	22/May/2006	12.88	36178.00
S&P BSE 200	3.95	-1.48	35.47		9.94	27348.03
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L&T India Prudence Fund (G)	4.34	9.93	44.48	07/Feb/2011	13.16	20738.00
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31/Dec/2015-30/Dec/2016	31/Dec/2014-31/Dec/2015	31/Dec/2013-31/Dec/2014	CAGR Returns (%)		PTP Returns* (in ₹)	
L&T Business Cycles Fund (G)	3.18	3.49	NA	20/Aug/2014		
S&P BSE 200	3.95	-1.48	NA			
S&P BSE Sensex^	1.95	-5.03	NA			
Regular Plan	Absolute Returns (Period)			Date of Inception of the Scheme	Since Inception	
31/Dec/2015-30/Dec/2016	31/Dec/2014-31/Dec/2015	31/Dec/2013-31/Dec/2014	CAGR Returns (%)		PTP Returns* (in ₹)	
L&T India Value Fund (G)	8.13	12.88	74.06	08/Jan/2010	15.68	27639.00
S&P BSE 200	3.95	-1.48	35.47		6.84	15865.57
S&P BSE SENSEX^	1.95	-5.03	29.89		6.16	15180.17
Regular Plan	Absolute Returns (Period)			Date of Inception of the Scheme	Since Inception	
31/Dec/2015-30/Dec/2016	31/Dec/2014-31/Dec/2015	31/Dec/2013-31/Dec/2014	CAGR Returns (%)		PTP Returns* (in ₹)	
L&T India Large Cap Fund (G)	0.83	-0.23	44.58	23/Oct/2007	7.91	20131.00
S&P BSE-100	3.57	-3.25	32.28		4.59	15104.15
S&P BSE SENSEX^	1.95	-5.03	29.89		4.04	14398.25
Regular Plan	Absolute Returns (Period)			Date of Inception of the Scheme	Since Inception	
31/Dec/2015-30/Dec/2016	31/Dec/2014-31/Dec/2015	31/Dec/2013-31/Dec/2014	CAGR Returns (%)		PTP Returns* (in ₹)	
L&T Arbitrage Opportunities Fund (G)	6.53	7.69	NA	30/Jun/2014		
CRISIL Liquid Fund Index	7.48	8.23	NA			
CRISIL 1 Yr T-Bill Index^	7.27	8.22	NA			

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