

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

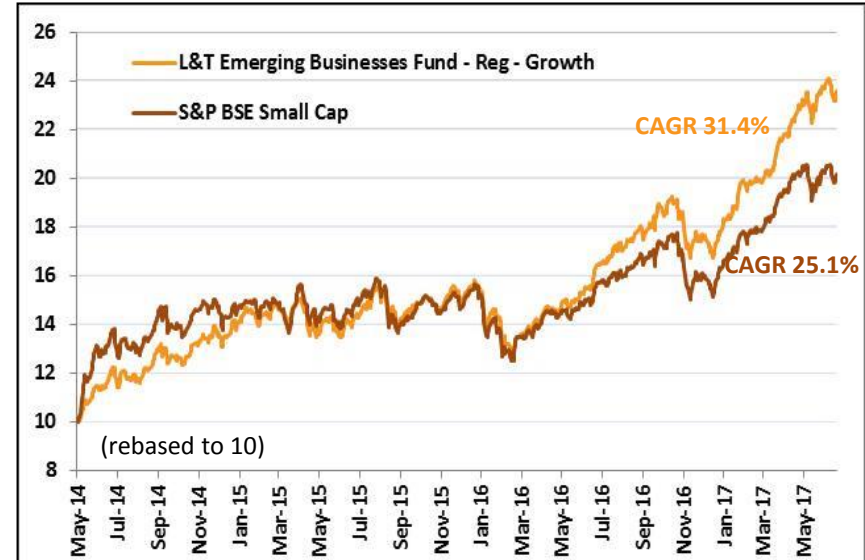
Why invest in L&T Emerging Businesses Fund?

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 30.06.2017

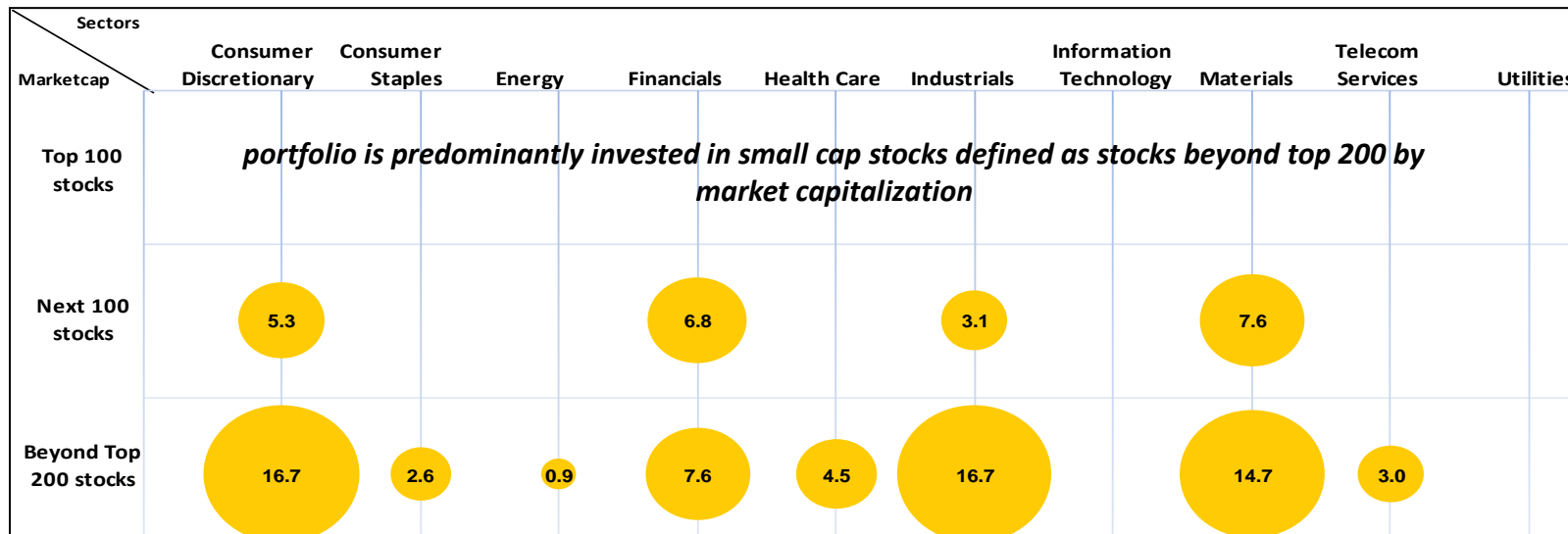


Performance in SEBI Format (as on 30.06.2017)

(Regular Plan)	CAGR returns % (period)		Date of inception of the Scheme	Since inception	
	1 year	3 years		CAGR Returns (%)	PTP Returns* (in Rs.)
L&T EBF Fund (G)	45.42	25.38	12/May/2014	31.45	23,583
S&P BSE Small Cap	30.58	14.72		25.11	20,191
S&P BSE Sensex^	14.53	6.75		9.07	13,130

Source: ICRA MFIE, internal. **Past performance may or may not be sustained in the future.** For product labeling please refer to page 4. * **Point to Point (PTP) Returns in INR show the value of Rs10,000/- invested ^Standard Benchmark.** For detailed performance of the scheme and that of other schemes managed by the same fund managers please refer the link on slide 4. As per the SEBI standards for performance reporting, the since inception return is calculated on NAV of Rs.10/- invested at inception. Date of inception is deemed to be date of allotment (12-May-14). Different plans shall have a different expense structure. Mr. S.N. Lahiri manages 8 schemes. Mr. Karan Desai manages 8 schemes. Performance shown is of growth option.

L&T Emerging Businesses Fund - Sector wise / market cap segment wise exposure of portfolio – 30-06-2017



Top 10 equity holdings as on 30.06.2017

Company	% of Net Assets
Avanti Feeds Limited	2.26%
Rane Holdings Limited	2.21%
Max India Limited	2.12%
Swaraj Engines Limited	2.01%
Tube Investments of India Limited	2.00%
Dalmia Bharat Limited	1.99%
Coromandel International Limited	1.99%
City Union Bank Limited	1.98%
Sterlite Technologies Limited	1.98%
Carborundum Universal Limited	1.95%

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. 1238 crore (as on 30.06.2017)
- ❖ **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

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For performance of the other schemes managed by the fund managers, please click on the link <https://goo.gl/rlq21D>

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

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