

SAFETY FIRST

INTRODUCING

Sundaram

Capital Protection Oriented Fund

5 years (Series 3)

Closed-end, Capital Protection Oriented Scheme

Every experienced batsman knows that his first job is to protect his wicket. "Look for runs without risking your wicket" is the rule, to play a long innings.

Sundaram Capital Protection Oriented Fund is based on the same principle. By investing substantially in 'AAA' rated 'high safety' interest bearing bonds and a small portion in equities and related instruments, it seeks to maximize returns without losing sight of capital protection orientation.

Invest now. Talk to your investment advisor or call our toll-free number 1800-425-5959. Get off the sidelines and play the game.

With Dividend Option! *

**Distributable surplus realized under equity portion of the scheme, subject to availability.*

Rated
AAA (so)
by CRISIL

Invest Today!

NFO closes
31st Oct. '11
₹10/- per unit

Call Toll-free: 1800-425-5959

SMS: SFUND to 56767 All Service Providers: 044-28578700
Email: service@sundarammutual.com www.sundarammutual.com



SUNDARAM MUTUAL
UNEARTHING OPPORTUNITIES

Sundaram Capital Protection Oriented Fund

5 years (Series 3)

Safety First!

How it works for you

- It's a fund that aims for 'deposit plus'* returns without losing sight of capital protection orientation. (* More than interest rate on 5-year fixed deposit)
- Fixed deposits may offer principal protection, but returns are often so low they barely keep up with inflation. Equity investments have historically offered higher returns, but they can pose a greater risk to your capital. Capital protection orientated funds offer capital protection orientation and capital gain through a mix of debt and equity in the portfolio.
- **Capital Protection Orientation:** Endeavours to preserve capital by investing sufficient funds (about 70%) in fixed-income securities so that, with the interest, it grows back to your initial capital value over a 5-year period. These investments will be made only in the highest rated (AAA) papers and in Government securities. They will be held until their date of maturity so that even if interest rate drops in the next five years it won't affect the scheme's objectives.
- **Capital Gain:** Generates capital appreciation by investing a part of the funds (up to 30%) in equity. The equity portion will be invested in stocks forming part of the S&P Nifty Index.
- **Highest CRISIL Rating: AAA (so).**

This rating indicates the highest degree of certainty regarding timely payment of face value of the investment to investors.

- **If you are a Corporate Investor or a High Net-worth Individual** you will find the tax efficiency of this fund attractive as gains will be taxed as long-term capital gains (provided the units are redeemed at maturity); this enhances the level of post-tax returns on any wealth generated by the fund.
- **If you are an experienced equity investor** the profits you have booked in the equity market and sitting idle in bank accounts is better invested in this fund; it could generate further gains, while protecting your capital.
- **If you are new to equity investment** this is an excellent avenue to participate in the equity market with the comfort of capital protection orientation – especially suitable for first-time investors and those with a conservative mindset.

Equity returns over 5 years – Around 21% p.a.

Parameters	S&P Nifty Index
Average Return	21.11
Minimum Return	-6.85
Maximum Return	58.71
% of positive return periods	94.5
% of negative return periods	5.5

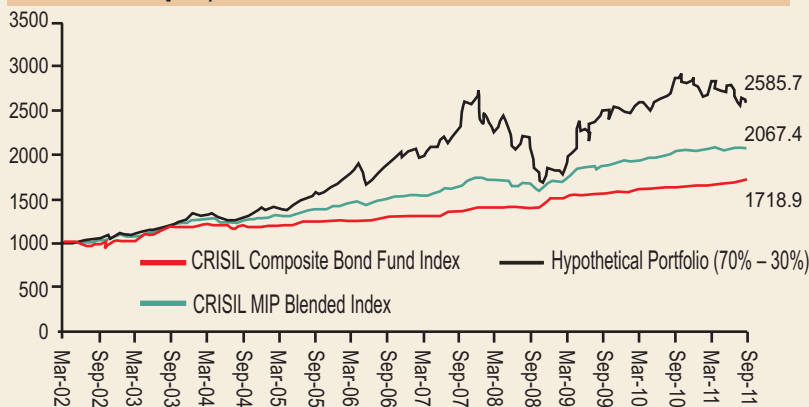
CAGR based on Five-year rolling returns (2831 periods) since Jan 2001, computed on a Daily Basis. Returns are in %.

In more than 50% of the periods the return was over 20% p.a.!

Source: Bloomberg. Computation: In-house. Returns as on 30 Sep 2011.

Past performance may or may not be sustained in the future.

A dash of Equity with Fixed Income boosts returns



Source: Bloomberg & AMFI website. Computation: In-house. Values as on 30 Sep 2011. Hypothetical portfolio comprises 70% of CRISIL Composite Bond Fund Index value and 30% of S&P Nifty Index value. Index rebased to 1000 and values provided since 30 March 2002 (launch of CRISIL MIP Blended Index and CRISIL Composite Bond Fund Index) on a daily basis

More tax efficient than Fixed Deposits

Particulars	Measure	Fixed Deposits	Fund -without Indexation	Fund -with Indexation
(A) Applicable Tax Rate	%	30.90	10.30	20.60
(B) Amount Invested	Rs	1,00,000	1,00,000	1,00,000
(C) Annualised Return	%	9.25	9.25	9.25
(D) Interest/Gains at Maturity	Rs	46,250	46,250	46,250
(E) Value at Maturity	Rs	1,46,250	1,46,250	1,46,250
(F) Initial Cost of Acquisition	Rs	1,00,000	1,00,000	1,00,000
(G) First Indexation	Rs	Nil	Nil	10,410
Second Indexation	Rs	Nil	Nil	11,494
Third Indexation	Rs	Nil	Nil	12,690
Fourth Indexation	Rs	Nil	Nil	14,011
Fifth Indexation	Rs	Nil	Nil	15,470
(H) Cost for computation of capital gain (F+G)	Rs	1,00,000	1,00,000	1,64,075
(I) Taxable Income (E-H)	Rs	46,250	46,250	-17,825
(J) Tax Liability	Rs	14,291	4,764	Nil
(K) Post Tax Return	Rs	31,959	41,486	46,250
(L) Post Tax Annualised	%	6.39	8.30	9.25

Note: Working for Resident Individuals / HUF. Cost Inflation Index is considered as 10.41% for the forthcoming five years based on the latest rate. FD rates are sourced from SBI website and are for a 5-year period. The tax rate is assumed at the highest rate based on the current tax slabs. Please consult your tax advisor for details.

Limitations & Assumptions: All the attributes of Capital Protection Oriented Scheme & Bank FD's are not comparable. The comparison is limited to the scope of returns and tax efficiency which will be subject to prevailing tax laws. The above calculation is for illustrative purposes and actual figures may vary.

Scheme information document (SID) and application forms are available at the offices of Sundaram Asset Management, its distributors and at www.sundarammutual.com. **Fund Facts Name:** Sundaram Capital Protection Oriented Fund 5 years (Series 3); a Closed-end capital protection oriented scheme. **Investment Objective:** To seek income and minimise risk of capital loss by investing in Debt securities and equities. The scheme is "oriented towards protection of capital" and not "with guaranteed returns" due to its portfolio structure and not from any bank guarantee, insurance cover etc. **Asset Allocation:** Fixed-income securities including money market: 70-100%. Equity and equity related: 0-30%. **Derivatives Exposure:** 0-50%. **Options:** Dividend Payout & Growth. **Terms of offer:** ₹10 per unit during NFO period. **Minimum Investment:** ₹5,000. **Load (entry/exit):** Nil. NAV publication on all business days. **Scheme Specific Risk Factors:** Ability of portfolio to meet capital protection on maturity can be impacted by interest rate movements, credit defaults, expenses and reinvestment risk. Main risks which impact NAV are market, capital loss, liquidity and price. **Risk Factors:** All mutual fund and securities investments are subject to market risks, and there can be no guarantee that the fund's objectives will be achieved. The NAV of the scheme may go up or down depending upon the factors and forces affecting the securities market. Please read the SID before investing. Past performance of the Mutual Fund/Investment Manager/Sponsor does not indicate the future performance of this Scheme. Unit holders in the scheme are not being offered any guaranteed /assured returns. **Sundaram Capital Protection Oriented Fund 5 years (Series 3) is only the name of the Scheme and does not in any manner indicate either the quality of the Scheme, its future prospects or returns. CRISIL Disclaimer:** The scheme is rated AAA (so) by CRISIL. The rating only indicates highest degree of certainty regarding payment of face value of investment to the unit holders on maturity and is not an opinion on the scheme's NAV stability before its maturity date. **Statutory Details: Mutual Fund:** Sundaram Mutual Fund (Trust) **Sponsor:** Sundaram Finance Ltd. (Liability limited to ₹1 lakh). **Investment Manager:** Sundaram Asset Management Company Ltd. **Trustee:** Sundaram Trustee Company Ltd.