

NEW
FUND OFFER

Orchestrated for Consistency

A rules-based strategy built for reliable, risk-adjusted returns

SUNDARAM Multi-Factor Fund

An open ended equity scheme that follows a multi-factor based investment strategy



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NFO Opens: Jul 2, 2025
NFO Closes: Jul 16, 2025



SUNDARAM MUTUAL
— Sundaram Finance Group —

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What is Factor Investing?



In music, the magic of a performance is created through a blend of melody, rhythm, harmony, and timing.

Similarly, in investing, certain characteristics — called **Factors** — influence how a stock performs.

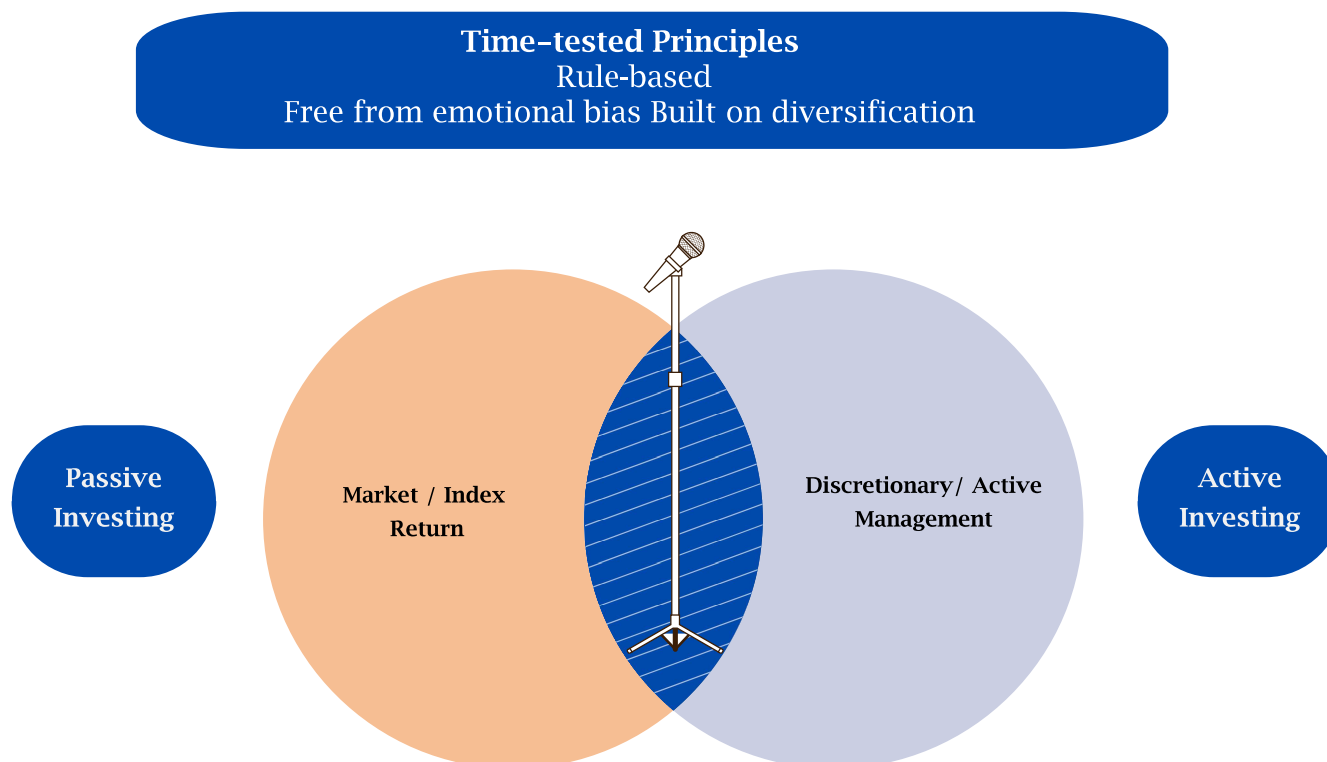


A symphony is orchestration of multiple instruments viz. violin, Flute, Trombone, Cello, Percussion etc. Arranged and executed well, the experience is deeper and meaningful









Factor investing is like that symphony — selecting stocks based on traits like **Quality, Value, Growth, Size and Momentum** to create a harmonious portfolio.

What makes the difference in music - It's not just one instrument, but orchestration of many.
In investing, it's not just a single Factor — but an appropriate blend of many

How is Factor Investing a smarter choice?

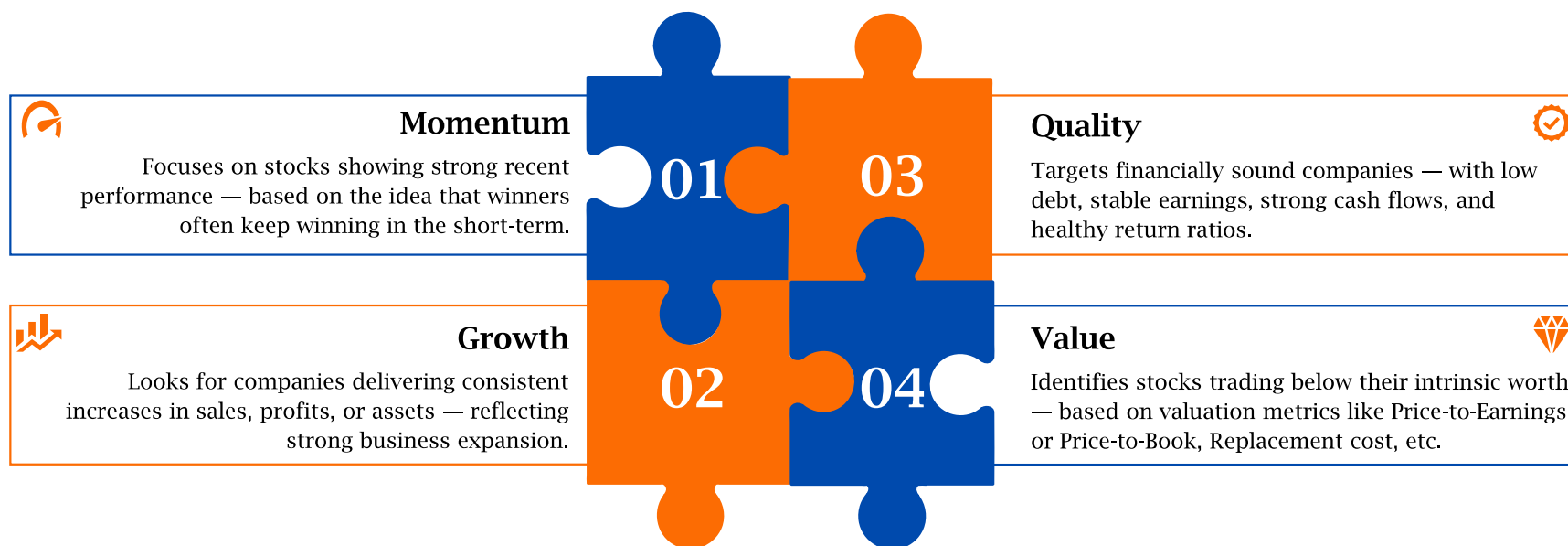


A fresh take on investing: Traditional vs. Factor

Key aspect	Traditional Investing	Factor Investing
Investment Style	 <p>Relies on discretionary decision making by FMs, based on fundamental and quantitative analysis.</p>	 <p>Relies on systematic data driven strategies to select investments based on factors.</p>
Portfolio Construction	 <p>Managing by cap curve, sectoral allocation and active stock picking.</p>	 <p>By leveraging historical evidence and statistical analysis to deliver better risk-adjusted return.</p>
Diversification	 <p>Through traditional cap curve/ sector groupings/ asset class and generating return through active allocation.</p>	 <p>Through a different set of parameters – growth, quality, value and momentum.</p>
Investment Behavior	 <p>Based on fund manager's outlook.</p>	 <p>Rule-based investment decisions, minimizing human biases.</p>

Established factor-based strategies

Each factor targets stocks with specific return-driving traits



 **Size:** A layer for stability and enhanced risk-adjusted return

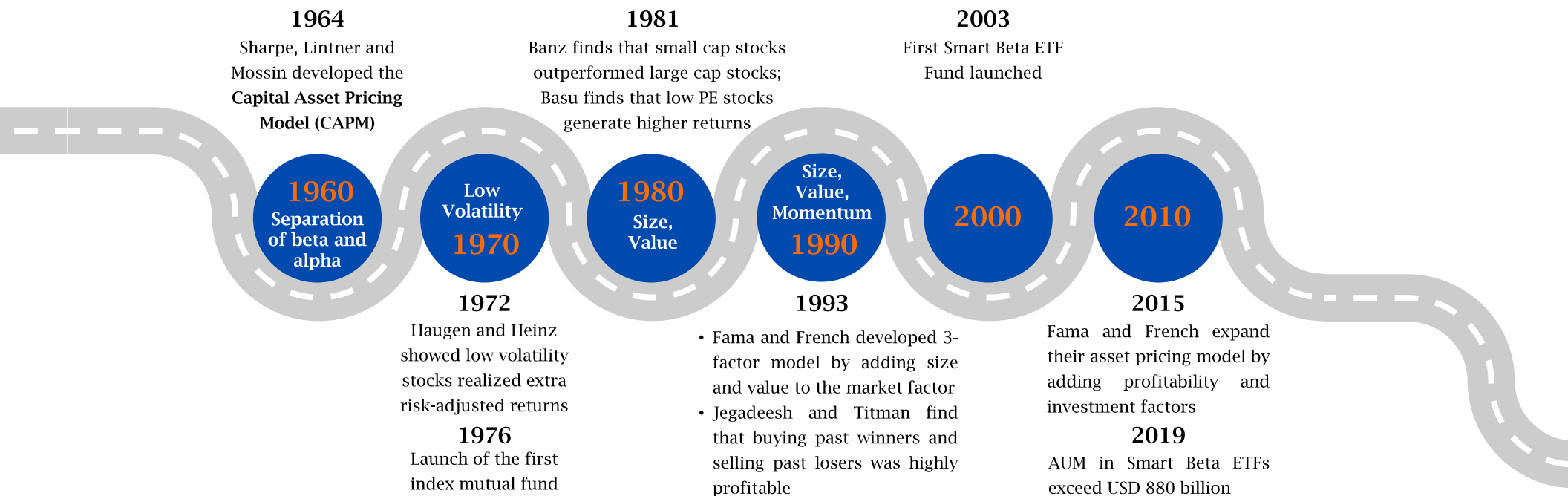
Established factor-based strategies

	Investor Bias	What It Leads To	Factor That Helps	How the Factor Helps
	Trim the flowers and water the weeds	Loss Aversion		
	Seek information that supports our belief	Confirmation Bias		
	Focusing on the latest experience and forgetting the big picture	Recency Bias		
	Jumping off a cliff with the crowd is easier than thinking first	Herd Mentality		
		Selling winners too early and holding losers too long	Momentum / Quality	Tracks price trends and company health to stay objective
		>>> Value Trap Selectively focus on information that supports belief resulting in buying high and selling low	Growth	Focuses on real earnings growth, not just convincing stories
		>>> Growth Trap Overemphasize recent strong numbers, ignoring historical details	Quality	Anchors decisions on long-term company stability and fundamentals
		>>> Quality Trap Chasing a stock by following others and expecting it to rise	Value	Identifies undervalued stocks and avoids overhyped trends
		>>> Momentum Trap		

The term 'Factors' may sound new, but the idea isn't

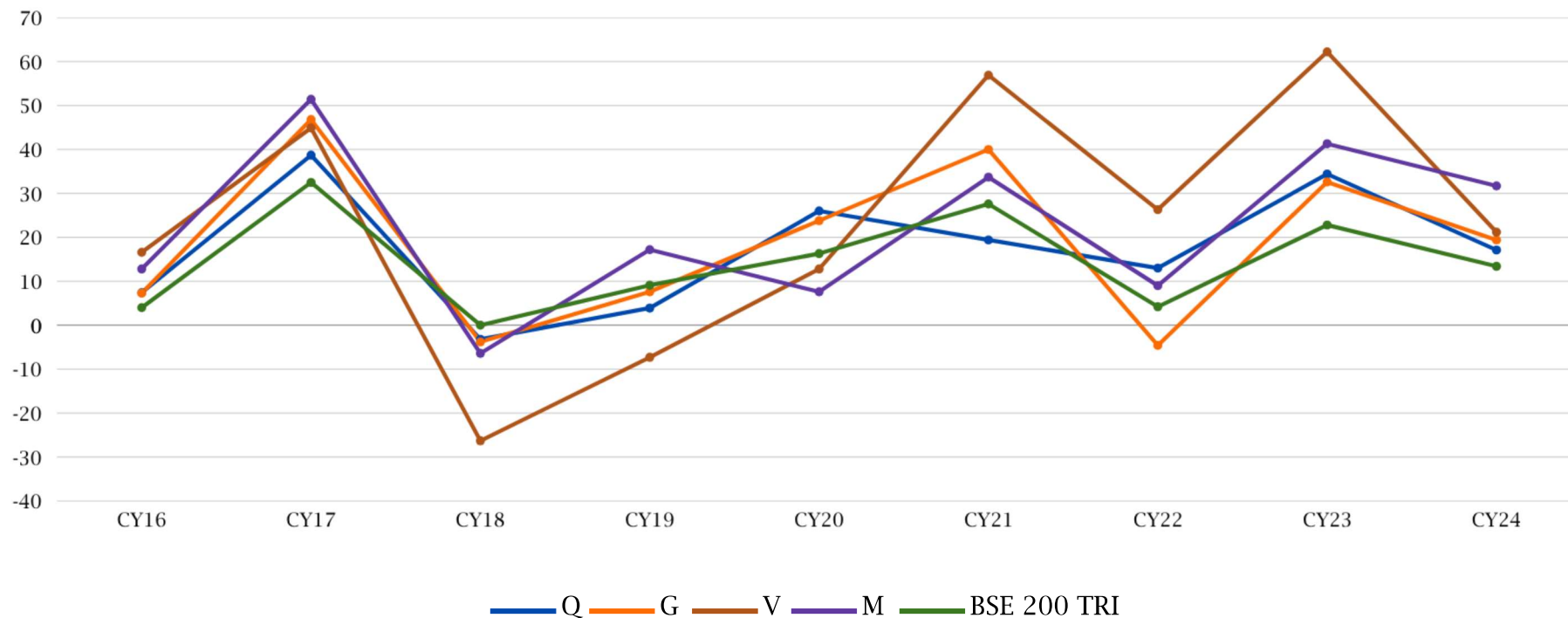


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Skilled fund managers have long relied on these characteristics — like value, quality, or momentum — to guide their investment decisions.

Factor performance across market cycles



Each factor performs at different times — but none leads all the time. Combining them through a multi-factor strategy helps deliver more stable returns across changing market conditions.

Using multi-factor helps performance across market cycles

Annual Factor Rankings (2016–2024)

	2016	2017	2018	2019	2020	2021	2022	2023	2024
Rank1	V	M	I	M	Q	V	V	V	M
Rank2	M	G	Q	I	G	G	Q	M	V
Rank3	Q	V	G	G	I	M	M	Q	G
Rank4	G	Q	M	Q	V	I	I	G	Q
Rank5	I	I	V	V	M	Q	G	I	I

Distribution of Factor Rankings (2016–2024)

BSE 200 TRI	22%	11%	67%
Quality	33%	22%	44%
Growth	33%	33%	33%
Value	56%	11%	33%
Momentum	56%	22%	22%
Rank	1 & 2	3	4 & 5

All factors have individually outperformed the Index: Momentum and Value topped
Relying on a single factor is risky—markets move in cycles. Multi factor can mitigate cyclicality.

The Pillars of Factor-Based Investing

A structured approach to capture market opportunities



Quality

Financially strong companies with consistent earnings and low debt.



Momentum

Stocks trending upward capturing market trends in real time.



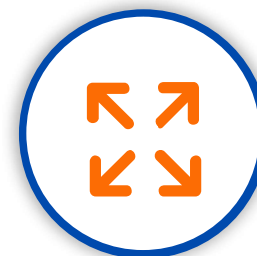
Growth

Companies with high earnings growth and reinvestment potential.



Value





Undervalued stocks based on fundamentals like low P/E or P/B ratios.



Size

Well balanced between Large and Mid Cap to maximize compounding while minimize risk.

Why Multi-Factor and not single factor approach?

	Aspect	Single-Factor Investing	Multi-Factor Investing
	Strategy	Focuses on one factor (e.g., Value or Momentum)	Combines multiple factors for holistic exposure
	Risk	High risk during factor underperformance	Reduced risk through diversification
	Consistency	Cyclical, performance depends on market trends	More stable returns over various cycles
	Implementation Complexity	Investors/Advisors needs to constantly Switch in/out	Buy and stay invested for the long-term

Multi Factor model should

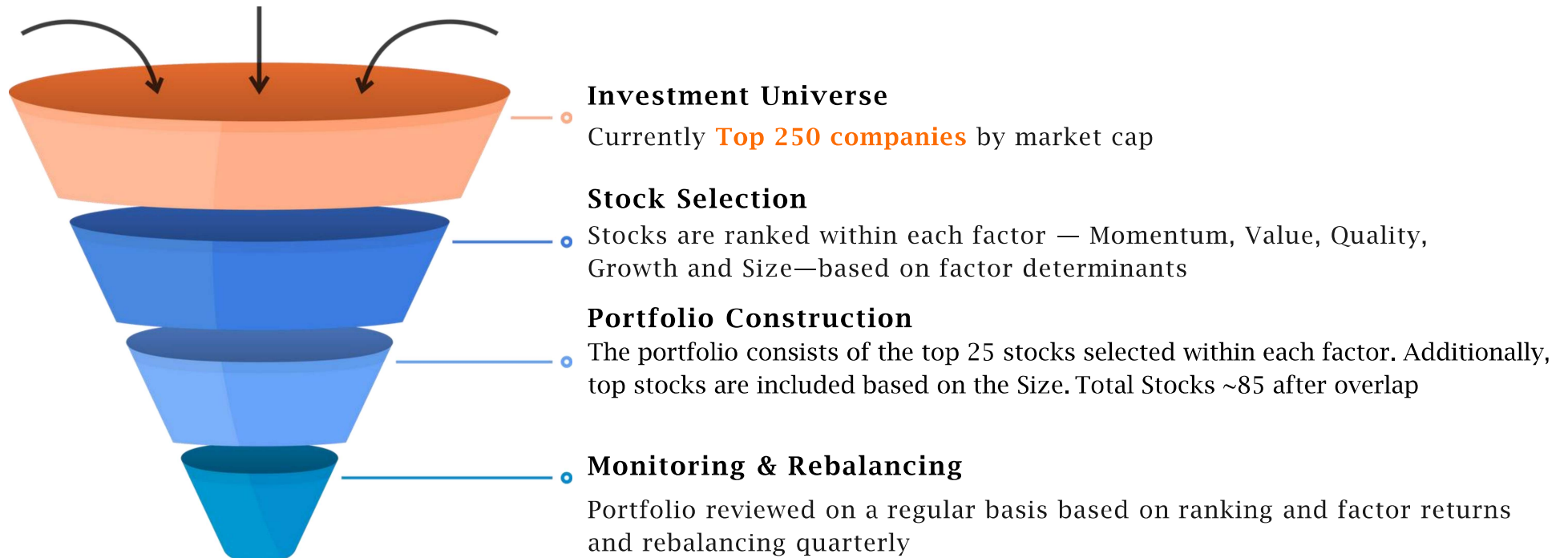
Be justified by research

Be implementable across time horizon and on the entire universe

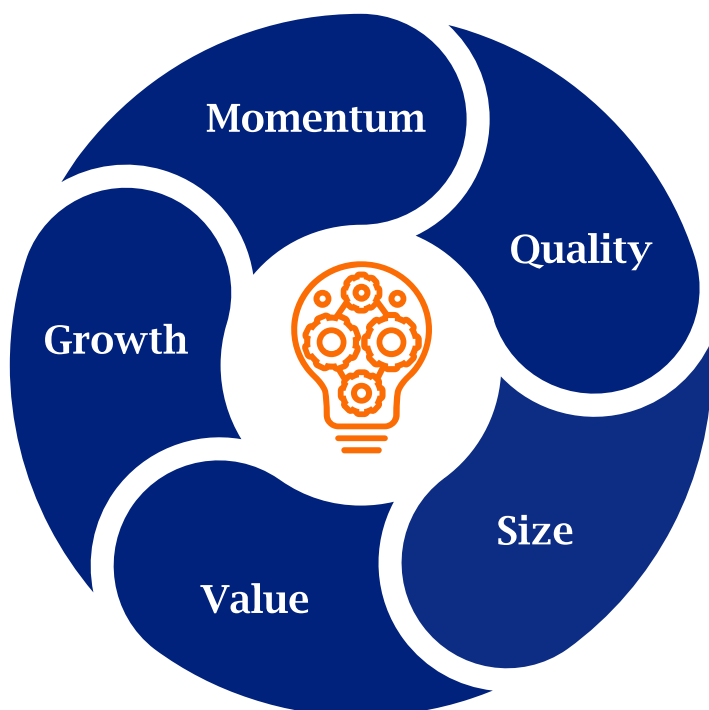
Have exhibited significant return history

Protection history during bad times

Sundaram Multi-Factor Portfolio creation



Benefits of Sundaram Multi-Factor Fund



Diversifies across multiple factors



Captures return efficiently while offering superior risk-adjusted return across market cycles

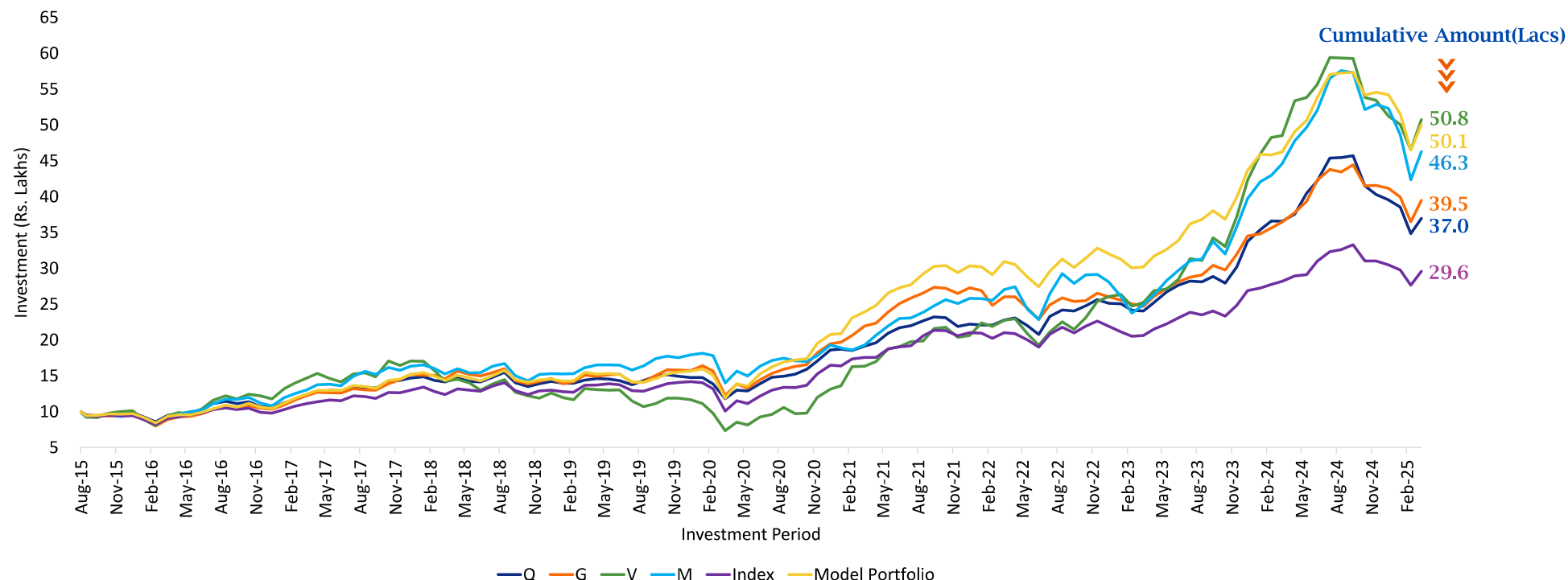


Through cross sectional approach, captures opportunistic sectors across cycles



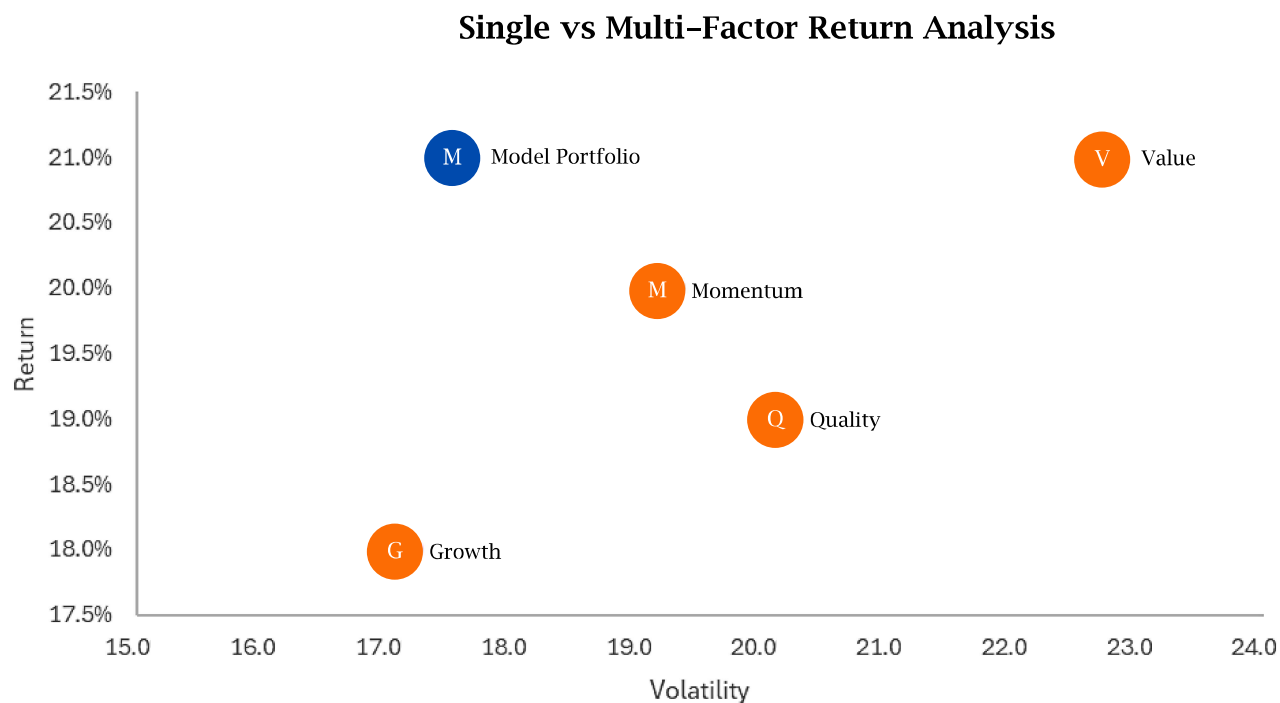
Reduced concentration risk by diversifying

Sundaram Multi-Factor Model Portfolio vs Single Factor



Sundaram Multi-Factor Model Portfolio closely trails the top-performing factor while outperforming momentum, quality, growth, and the index — offering a well-balanced return with reduced concentration risk.

It's not just Return, It's Risk-Adjusted Return






The Model Portfolio optimizes the trade-off between returns and volatility, positioning it more favorably on the risk-return spectrum than individual factor strategies.

Multi-Factor Model for Superior Risk-Adjusted Return



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Factors	Return 	Volatility 	Risk-Adjusted Return 
Quality	19%	20.2	0.94
Value	21%	22.8	0.92
Growth	18%	17.2	1.02
Momentum	20%	19.3	1.05
Model Portfolio	21%	17.6	1.19
Value provided higher return with higher volatility	Growth has least volatility with lowest return	All factors are cyclical	Sundaram Multi-Factor has the highest risk-adjusted return

Source: Bloomberg, Sundaram Asset Management

Data as of May 31, 2025, Volatility measured by SD, all data 1yr rolling basis since 2015

All returns are indicative and based on model assumptions and underlying indices; actual performance may vary

Sundaram Multi-Factor Model: Outperformance



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	3 Years Rolling Returns		5 Years Rolling Returns	
	Sundaram Model Portfolio	BSE 200 TRI	Sundaram Model Portfolio	BSE 200 TRI
Average Return	20.2%	13.5%	21.5%	14.0%
Maximum Return	37.5%	27.6%	32.9%	22.9%
Minimum Return	-2.9%	-4.1%	9.1%	4.1%
% of times outperformed BSE 200 TRI	100%		100%	






On a 3-year and 5-year basis the fund has **outperformed benchmark** at all times

Source: Bloomberg, Sundaram Asset Management

Data as of May 31, 2025, Volatility measured by SD, all data 1yr rolling basis since 2015

All returns are indicative and based on model assumptions and underlying indices; actual performance may vary

Unlocking Opportunities

	 Quality	 Growth	 Value	 Momentum	 Sundaram Model Portfolio
Up Capture	154.1	108.0	215.9	151.3	148.2
Down Capture	100.3	92.6	105.1	96.5	93.7

Sundaram Multi-Factor Model Portfolio has efficiently captured market upside opportunities and providing downside protection

Source: Bloomberg, Sundaram Asset Management
Data as of CY 2024, Volatility measured by SD, all data 1yr rolling basis since 2015
All returns are indicative and based on model assumptions and underlying indices; actual performance may vary

Sundaram's Multi-Factor Fund Offers Low Inter-Factor Correlation



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Correlation Analysis

	 Value	 Momentum	 Quality	 Growth	 Sundaram Model Portfolio
Value	1.00	0.53	0.83	0.52	0.66
Momentum	0.53	1.00	0.49	0.72	0.88
Quality	0.83	0.49	1.00	0.69	0.63
Growth	0.52	0.72	0.69	1.00	0.72
Sundaram Model Portfolio	0.66	0.88	0.63	0.72	1.00

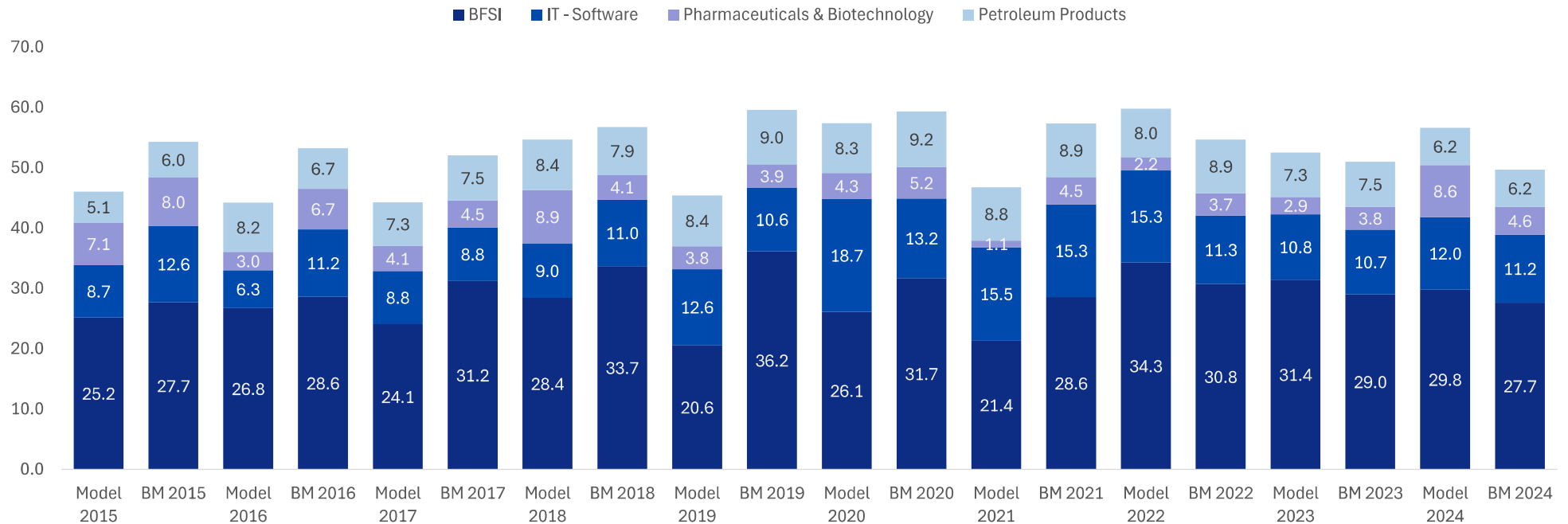
Sundaram Multi-Factor Fund offers **higher diversification**
and effectively captures rallies across multiple factors

Source: Bloomberg, Sundaram Asset Management

Data as of CY 2024 Volatility measured by SD, all data 1yr rolling basis since 2015

All returns are indicative and based on model assumptions and underlying indices; actual performance may vary

Sector Rotation Analysis of Sundaram's Model Portfolio vs Index



Sundaram Model Portfolio exhibits **dynamic sector rotation** and diverges from the benchmark in its top sector allocations, allowing for more responsive positioning across market cycles.

Dynamic rotation of Model portfolio Vs BM (Jan '24 to Mar '25)



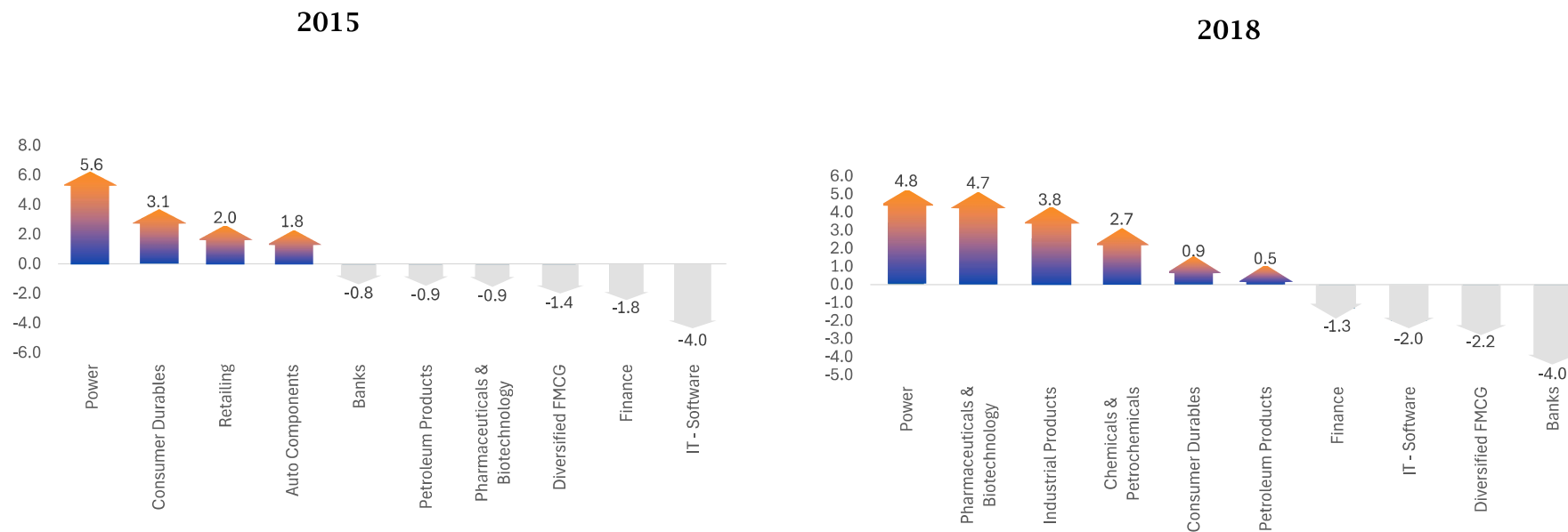
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Jan-Mar 24		Apr-Jun 24		Jul-Sep 24		Oct-Dec 24		Jan-Mar 25		Benchmark- Mar 25	
Banks	25.1	Banks	20.4	Banks	21.7	Banks	23.5	Banks	24.6	Banks	22.5
IT-Software	10.8	Petroleum Prod	10.3	IT-Software	8.9	IT-Software	9.5	IT-Software	12.0	IT-Software	11.2
Petroleum Prod	7.3	IT-Software	7.0	Finance	7.1	Petroleum Prod	6.1	Pharmaceutical	8.6	Petroleum Prod	6.2
Finance	6.4	Power	5.9	Petroleum Prod	6.8	Pharmaceuticals	5.9	Petroleum Prod	6.2	Automobiles	5.4
Power	5.2	Automobiles	4.7	Electrical Equip	5.3	Capital Market	4.1	Finance	5.2	Finance	5.2
Electrical Equip	4.1	Finance	4.7	Auto Component	4.7	Electrical Equip	4.1	Telecom	4.8	Pharmaceuticals	4.6
Automobiles	3.5	Constuction	3.6	Aerospace & Def	4.7	Finance	3.5	Capital Markets	4.6	Diversified	4.2
Ferrous Metals	2.9	Realty	3.5	Power	4.1	Auto Component	3.5	Insurance	2.9	Power	3.5
Pharmaceuticals	2.9	Consumer Dur	3.5	Automobiles	3.6	Insurance	2.9	Healthcare Serv	2.9	Telecom	3.2
Minerals & Mini	2.3	Electrical Equip	2.9	Diversified FMCG	2.9	Diversified FMCG	2.8	Consumer Dur	2.3	Retailing	3.1
Total	58.4		59.2		63.2		59.2		68.0		69.1

Top ten sectors and color-coded top five based on Jan-Mar 2025 - Model Portfolio

Sector allocation of Sundaram Model Portfolio

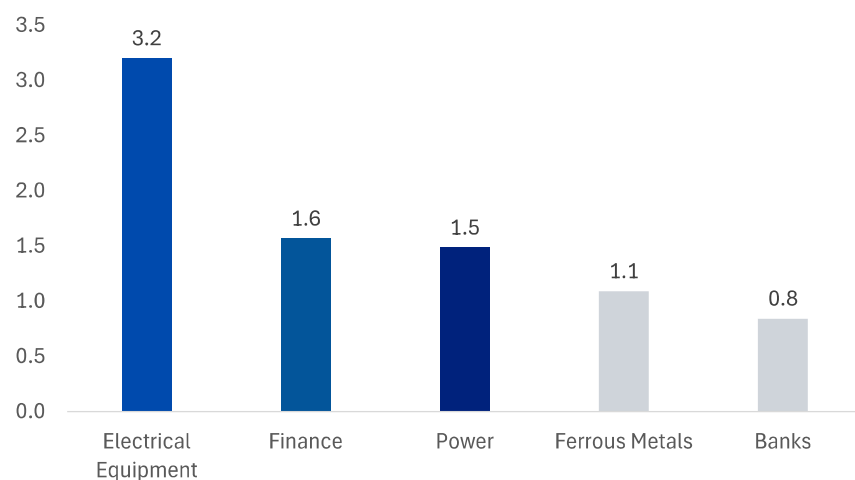
Top 10 sectors overweight and underweight analysis



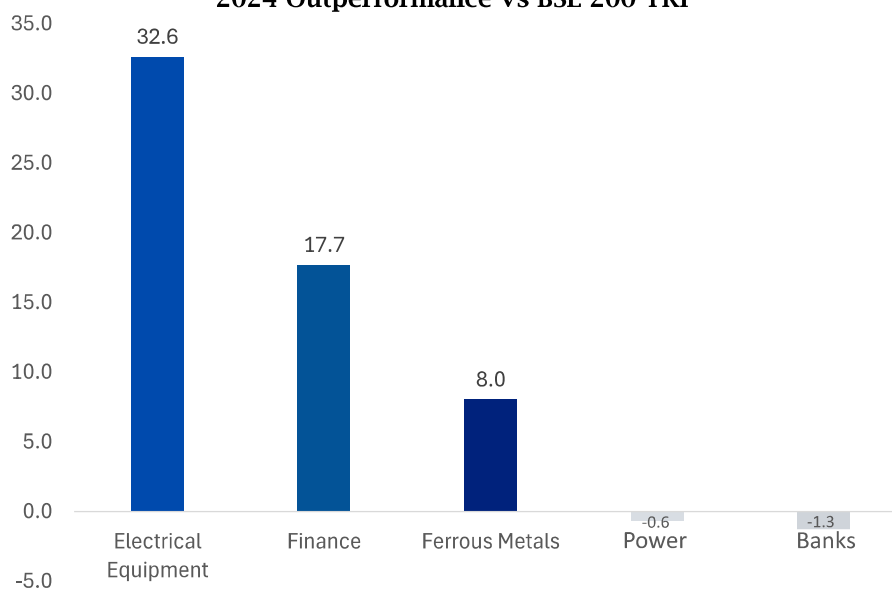
Through multi-factor selection, the model portfolio adapts differently across various cycles, positioning itself uniquely compared to conventional indices and other diversified funds.

Smart Sector Positioning Enhances Returns

Top Overweight Sectors in CY 2023

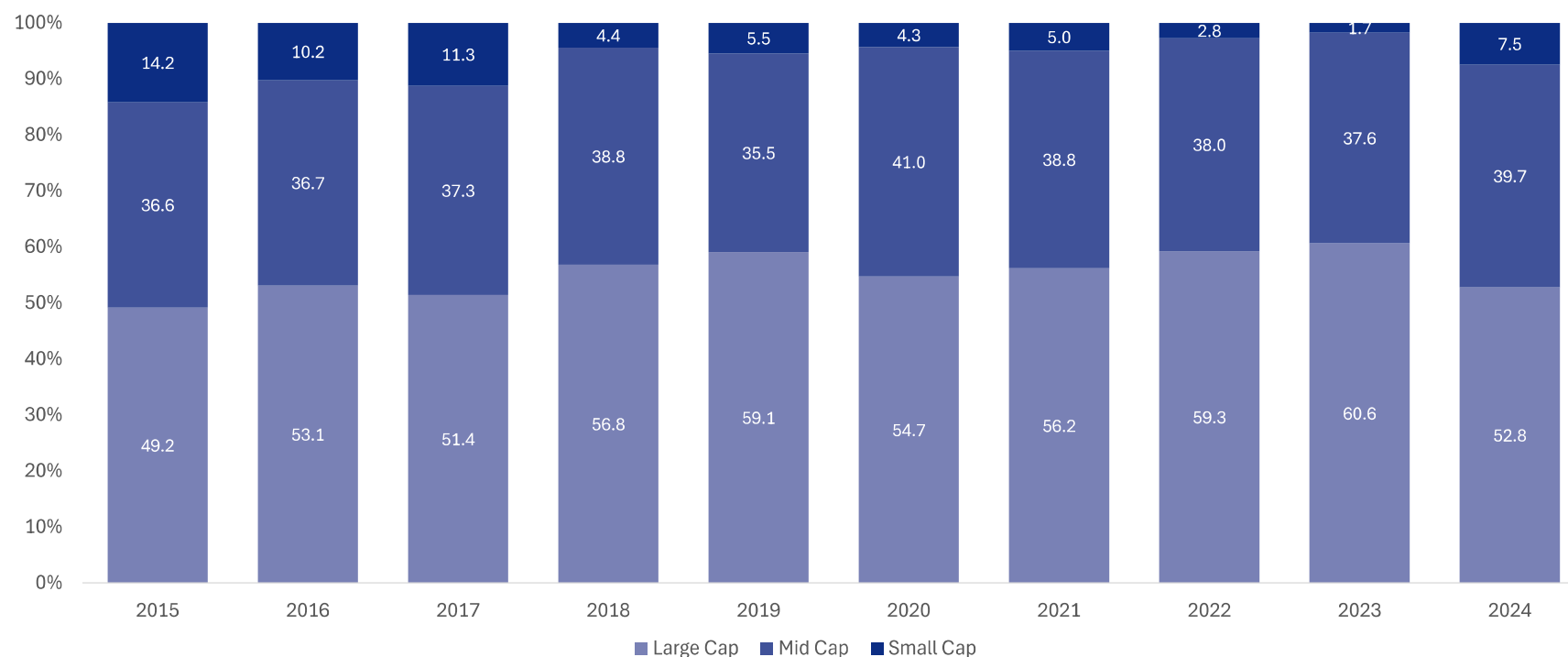


2024 Outperformance vs BSE 200 TRI



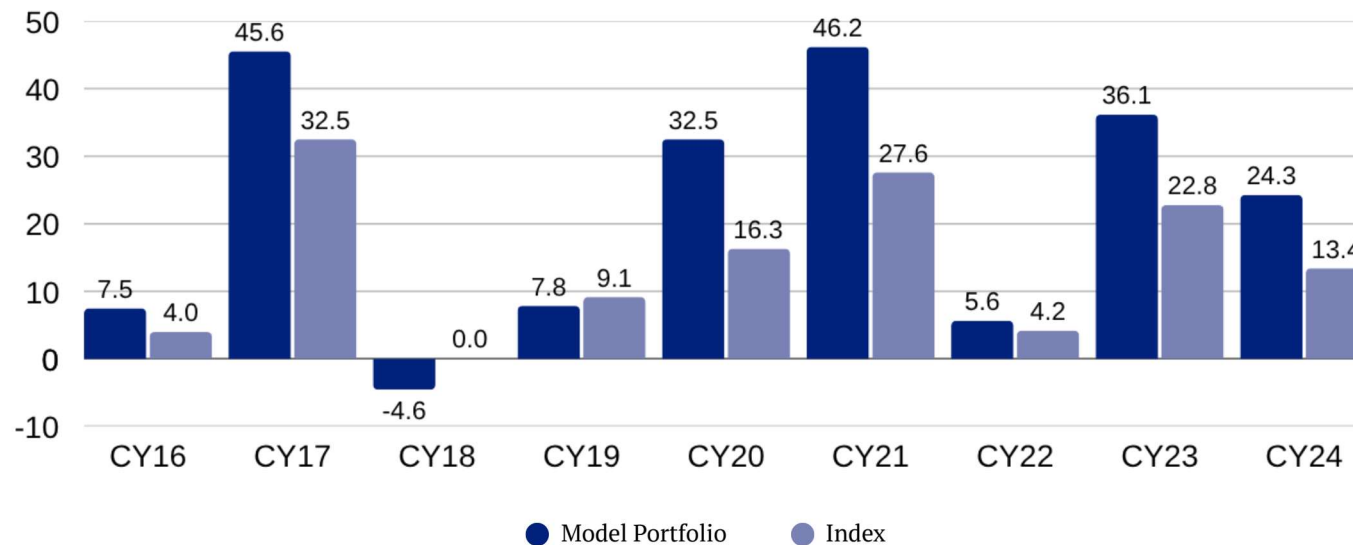
Sundaram Model Portfolio exhibits **dynamic sector rotation** and diverges from the benchmark in its top sector allocations, allowing for more responsive positioning across market cycles.

Sundaram Model: Market Cap Allocation

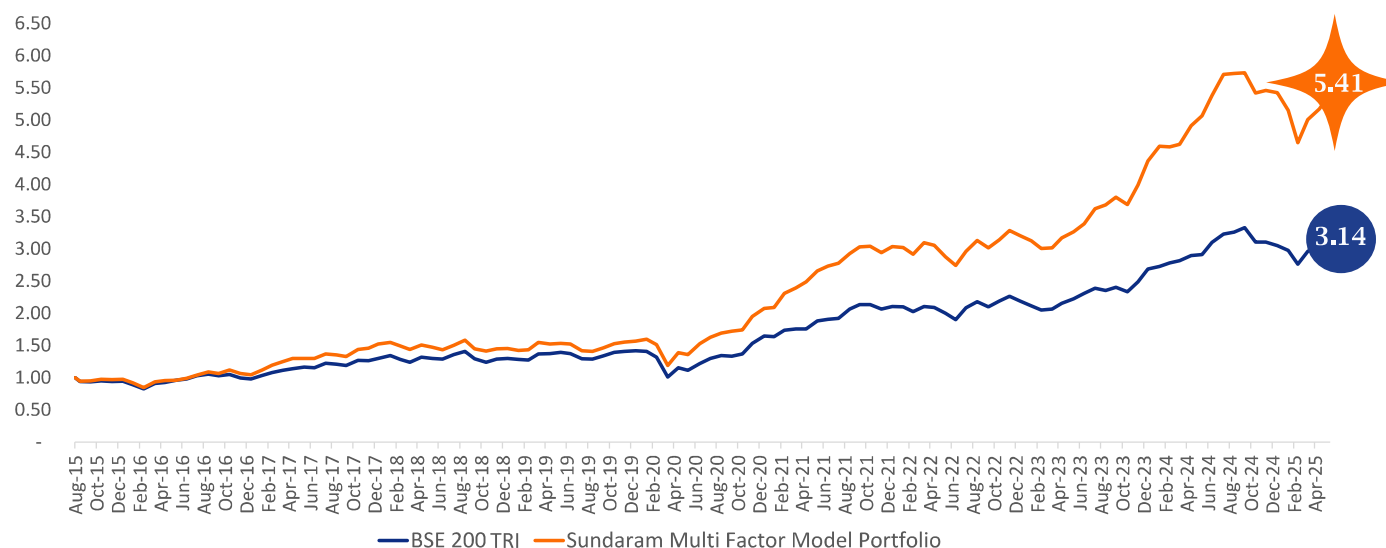


Large-cap and mid-cap universe correlates with
stability, lower volatility and growth in uncertain market conditions

Sundaram Multi-Factor Model – CY Returns vs Index

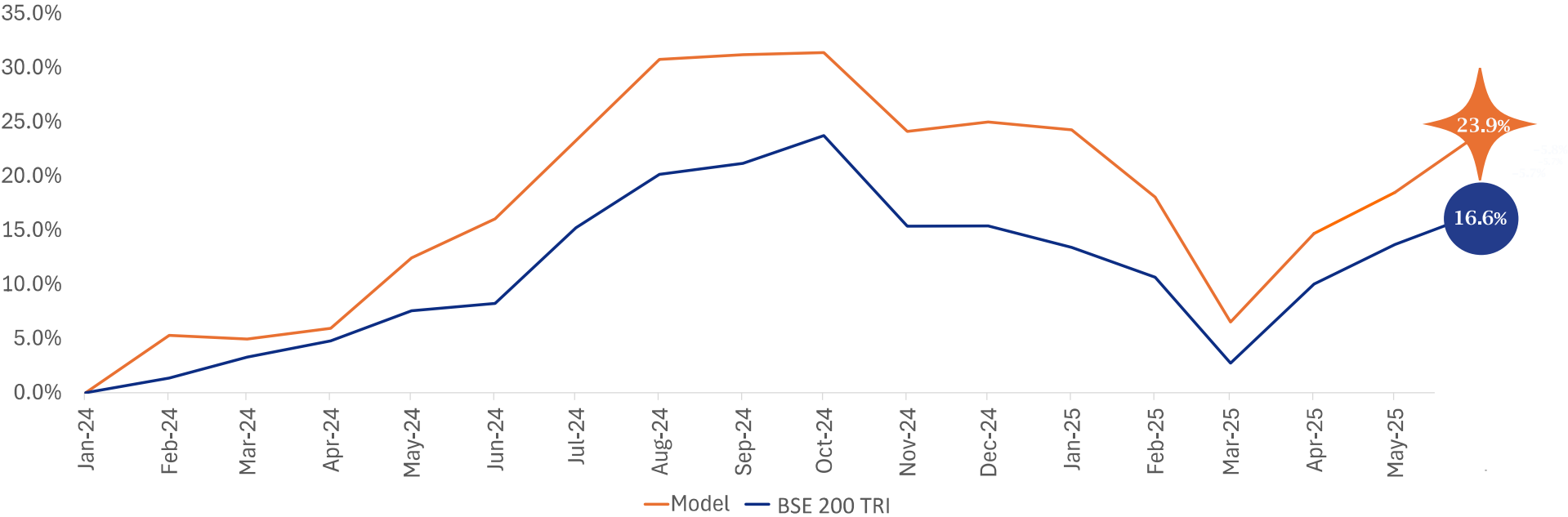


Rs. 1 Crore Journey in Model Portfolio vs Index



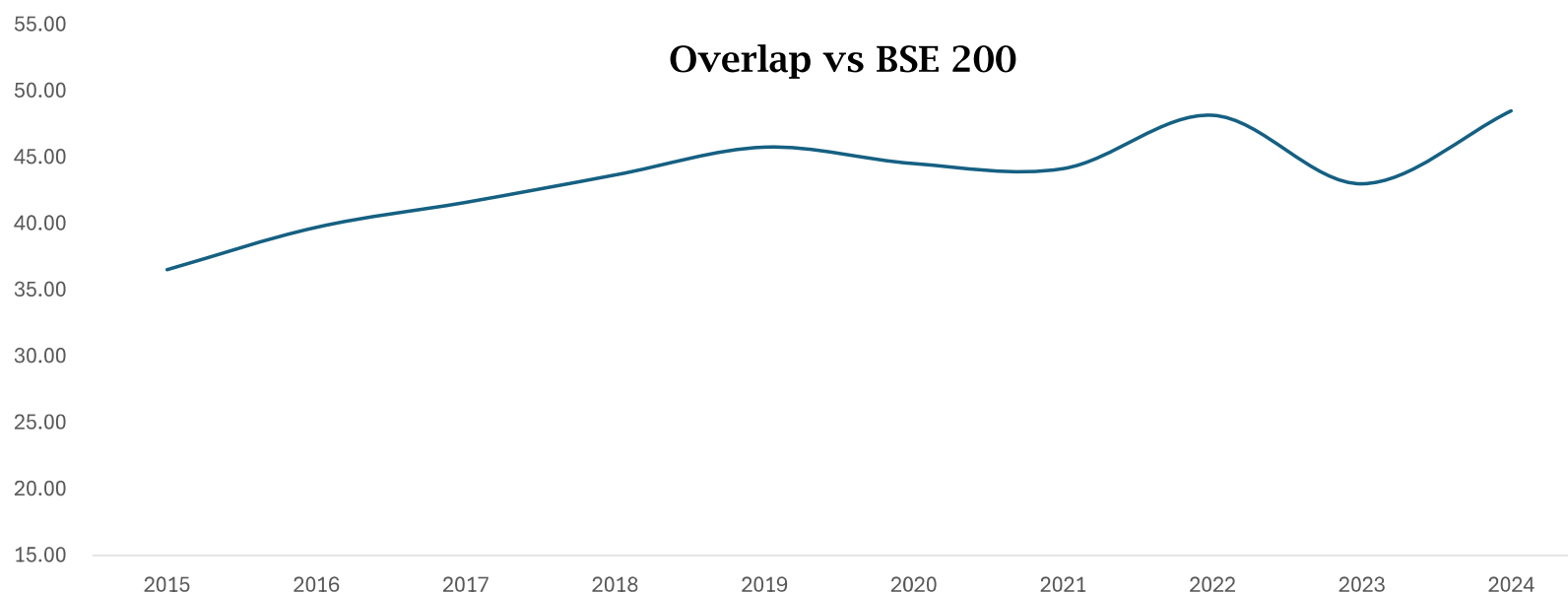
₹1 crore grew to approximately
₹5.5 crore in Sundaram Multi-Factor Model Portfolio,
compared to ₹3 crore in BSE 200
since 2015.

Strong Recent Performance During Volatility



Source: Bloomberg, Sundaram Asset Management
Data as of May 31, 2025
All returns are indicative and based on model assumptions and underlying indices; actual performance may vary

Sundaram Model Portfolio's Uniqueness



Higher stock active share in Sundaram Multi-Factor Fund, it will have around 50% unique stock vs Benchmark

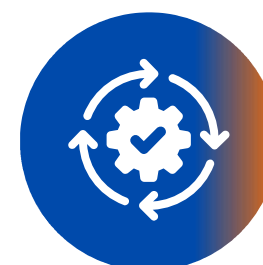
Summarizing Sundaram Multi-Factor Fund



Delivered higher risk-adjusted returns than the individual factors and broad index, with more consistency.



Delivered relatively better return during market up cycle vs Index and demonstrated resilience during market down cycle.



Diversification based on Value/Growth/Quality/Momentum gives a differentiated portfolio vs typical actively managed category funds.

Fund Facts

Objective	An open ended equity scheme that follows a multi-factor based investment strategy
Benchmark	BSE 200 TRI
Fund Managers	Rohit Seksaria, Bharath S, Dwijendra Srivastava, Sandeep Agarwal
Plans	Regular & Direct
Options	Growth, IDCW (Pay Out, Reinvestment & Transfer); Default Option: Growth; Default Sub-Option: IDCW Transfer
Minimum Subscription Amount	<u>Lumpsum:</u> First Investment: INR 100 and any amount thereafter; Subsequent Purchase: INR 100 and any amount thereafter <u>SIP:</u> INR 1000 per week, INR 100 per month, INR 750 per quarter, Weekly SIP will be processed on Wednesdays
Load Structure	<ul style="list-style-type: none"> • 1% of the applicable NAV - Any redemptions, switch or withdrawals by way of SWP would be subject to an exit load within 365 days from the date of allotment. • NIL - if the units are redeemed after 365 days from the date of allotment of units. • Further, exit load will be waived on Intra-scheme Switch-outs/STP. Generally, the exit load will be calculated on First in First out (FIFO) basis. Investors/Unit holders should note that the AMC/Trustee has the right to modify existing Load structure and to introduce Loads subject to a maximum limits prescribed under the Regulations. Any change in Load structure will be effective on a prospective basis and will not affect the existing Unit holder in any manner.

Annexure A

1 Year	Q	G	V	M	BSE 200	Sundaram Model
Average Return	19.5%	20.5%	28.7%	23.5%	15.9%	24.0%
Maximum Return	70.9%	77.6%	139.5%	90.2%	81.7%	107.5%
Minimum Return	-20.8%	-19.4%	-46.4%	-16.2%	-28.5%	-23.6%
< 0% return	16.0%	23.0%	33.0%	16.0%	18.0%	15.0%
> 0% return	84.0%	77.0%	67.0%	84.0%	82.0%	85.0%
> 10% return	63.0%	61.0%	59.0%	66.0%	57.0%	67.0%
> 15% return	55.0%	52.0%	56.0%	56.0%	40.0%	55.0%
> 20% return	37.0%	45.0%	54.0%	48.0%	33.0%	45.0%
Total Observation	106	106	106	106	106	106

3 Year	Q	G	V	M	BSE 200	Sundaram Model
Average Return	15.7%	16.4%	18.6%	17.7%	13.5%	20.2%
Maximum Return	27.9%	27.9%	53.7%	34.4%	27.6%	37.5%
Minimum Return	-2.7%	-1.3%	-22.2%	0.7%	-4.1%	-2.9%
< 0% return	2.0%	1.0%	22.0%	0.0%	5.0%	1.0%
> 0% return	98.0%	99.0%	78.0%	100.0%	95.0%	99.0%
> 10% return	76.0%	84.0%	65.0%	84.0%	77.0%	85.0%
> 15% return	59.0%	71.0%	56.0%	67.0%	44.0%	70.0%
> 20% return	32.0%	24.0%	48.0%	32.0%	11.0%	55.0%
Total Observation	82	82	82	82	82	82

5 Year	Q	G	V	M	BSE 200	Sundaram Model
Average Return	15.8%	17.2%	17.5%	17.1%	13.8%	21.2%
Maximum Return	26.4%	25.8%	45.5%	28.6%	22.8%	32.9%
Minimum Return	7.0%	7.8%	-1.5%	9.0%	4.1%	9.1%
< 0% return	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
> 0% return	100.0%	100.0%	95.0%	100.0%	100.0%	100.0%
> 10% return	91.0%	97.0%	67.0%	95.0%	88.0%	98.0%
> 15% return	47.0%	66.0%	40.0%	57.0%	38.0%	91.0%
> 20% return	26.0%	34.0%	33.0%	28.0%	5.0%	57.0%
Total Observation	58	58	58	58	58	58

Source: Bloomberg, Sundaram Asset Management

Data since 2015, monthly rolling return analysis, as of March 31, 2025

All returns are indicative and based on model assumptions and underlying indices: actual performance may vary

Annexure B

Using multi-factor helps performance across market cycles

Distribution of Factor Rankings (CY2016–CY2024)

BSE 200	22%	78%
Quality	33%	67%
Growth	44%	56%
Value	56%	44%
Momentum	67%	33%
Model Portfolio	78%	22%

Top performer

Top 3 ranks

Bottom performer

Bottom 3 ranks

Sundaram Multi Factor ranked in the top half in 78% of calendar years vs. other factors and the benchmark

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For scheme specific risk factors, asset allocation, load structure, fund facts and taxation aspects please refer scheme information documents available online and at branches/Investor Service Centres; also, at www.sundarammutual.com

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Investment Manager: Sundaram Asset Management Company Ltd.

Trustee: Sundaram Trustee Company Ltd.

Mutual Fund Investments are subject to market risks, read all scheme related documents carefully.

