

Sundaram BNP Paribas Select Small Cap

A 5 YEAR CLOSE ENDED EQUITY SCHEME



SUNDARAM BNP PARIBAS
MUTUAL

Offer Document cum Application Form

Offer for Units of Rs. 10 Per Unit for cash during the New Fund Offer Period

The New Fund Offer closes once the scheme mobilise a sum of Rs. 300 cr

Issue Details

New Fund Offer Opens on: 10-01-2007

New Fund Offer Closes on: 24-01-2007



SUNDARAM FINANCE

SPONSORS

Sundaram Finance Limited
21, Patullos Road Chennai 600 002
Phone : (044) 28521181
Fax : (044) 28520456

&

BNP PARIBAS Asset Management

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Fax : +33 1 58 97 25 85
www.bnpparibas-am.com



TRUSTEES

**Sundaram BNP Paribas Trustee
Company Ltd.**

46, Whites Road, Second Floor,
Royapettah,
Chennai 600014.

Phone : (044) 28583362/28583367

Fax : (044) 28583156

INVESTMENT MANAGER

**Sundaram BNP Paribas Asset
Management Company Limited**

46, Whites Road, Second Floor,
Royapettah,
Chennai 600014.

Phone : (044) 28583362/28583367

Fax : (044) 28583156

The particulars of SUNDARAM BNP Paribas Select Small Cap (Scheme) have been prepared in accordance with the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 as amended till date and filed with the Securities and Exchange Board of India (SEBI). The units being offered for public subscription under the Scheme have neither been approved nor disapproved by SEBI nor has SEBI certified the accuracy or adequacy of the offer document. This offer document sets forth concisely the information about the Scheme that a prospective investor ought to know before investing and the offer document should be retained for future reference. Investors may note that this offer document remains effective until a material change occurs (other than a change in fundamental attributes and within the purview of the offer document) and thereafter the changes shall be filed with SEBI and circulated to the Unit holders along with half-yearly reports.

Important Notice

Investing in mutual fund schemes involves certain risks and considerations associated generally with making investments in securities. The value of the Scheme's investments may be affected generally by factors affecting capital markets, such as price and volume, volatility in the capital markets, interest rates, currency exchange rates, changes in regulatory and administrative policies of the Government or any other appropriate authority (including tax laws), or other political and economic developments. Consequently, there can be no assurance that the Scheme offered in this document will achieve the

stated objectives. The net asset value of the units of this Scheme may fluctuate and move up or down. Past performance of the schemes managed by the Sponsor or their affiliates or the Asset Management Company are not indicative of the future performance of this Scheme.

Prospective investors are advised to review this document carefully and in its entirety and consult with their legal, tax and financial advisors to determine possible legal, tax and financial or any other consequences of subscribing to, purchasing or holding Units under this Scheme, before making an application to purchase or hold the Units.

Sundaram BNP Paribas Mutual Fund (the Mutual Fund) and Sundaram BNP Paribas Asset Management Company (the AMC) have not authorized any person to give any information or make any representations, either oral or written, not stated in this document in connection with issue of Units under this Scheme. Prospective investors are advised not to rely upon any information or representations not incorporated in this document, as the same have not been authorized by the Mutual Fund or the AMC. Any subscription, purchase or sale made by any person on the basis of statements or representations that are not contained in this document or which are inconsistent with the information contained herein shall be solely at the risk of the investor.

The offer document is dated on 20.12.2006. Investors may also like to ascertain about any further changes after the date of this document from the Mutual Fund/its Investor Service Centres/distributors or brokers.

24 HOUR NAV RESPONSE SYSTEM: (044) 28585607

List of Karvy Branches and Official Point of acceptance

Agra 17 / 2 / 4, 2Nd Floor, Deepak Wasan Plaza, Sanjay Place (Behind Holiday Inn), Agra - 282 002. Ph: 0562 - 2526660 / 2526661 **Ahmedabad** 307, Shail Buildings, Opp : Madhusudhan House, Off : C G Road, Nr. Navrangpura Telephone Exchange, Ahmedabad - 380 006. Ph: 079 - 26402967 / 26400527 **Ajmer** 12, II Floor Ajmer Tower, Kutchary Road, Ajmer - 305 001. Ph: 0145 - 2628055 / 2628065 **Allahabad** 1St Floor, Meena Bazar, 10, Sardar Patel Marg, Civil Lines, Allahabad - 211 001. Ph: 0532 - 2561048 / 2561073 **Ambala** 6349, Nicholson Road, Adjacent Kos Hospital, Ambala Cantt, Ambala - 133 001. Ph: 0171-2631324 **Amritsar** 72-A, Taylor'S Road, Aga Heritage, Gandhi Ground, Amritsar - 143 001. Ph: 0183 - 5053802 / 5053803 **Anand** F-6, Chitrangana Complex, Opp: Motikaka Chawl, Vidyanagar Road, Anand - 388 120. Ph: 02692 - 248980 / 266220 **Asansol** 18, GT Road, 1st floor, Asansol - 713 301. Ph: 0341 - 2214623 / 2214624 **Aurangabad** Shop No: 214 / 215, Tapadiya City Centre, Nirala Bazar, Aurangabad - 431 001. Ph: 0240- 2363530 / 2363517 **Bangalore** No : 51 / 25, 1 St Floor, Surya Building, Ratna Avenue, Richmond Road, Bangalore - 560 025. Ph: 080 - 25320085 / 32008452 **Bareilly** 1St Floor, 165, Civil Lines, Opp. Hotel Bareilly Palace, Near Rly Station, Bareilly - 243 001. Ph: 0581 - 2476809 / 2476797 **Baroda** 31-34, Payal Complex, Near Vadodara Stock Exchange, Sayajigunj, Baroda - 390 005. Ph: 0265 - 2225210 / 2361514 **Bharuch** F / 135, Rangoli Complex, Station Road, Bharuch - 392 001. Ph: 02642 - 325766 / 225207 **Bhavnagar** 134 / 135, Madhav Darshan, Waghawadi Road, Bhavnagar - 364 001. Ph: 0278 - 2525005 / 2525006 **Bhopal** Kay Kay Business Centre, 133, Zone 1, M.P.Nagar, Bhopal - 462 011. Ph: 0755 - 3010728 / 3010725 / 26 / 27 **Bhubaneswar** 624, Sahid Nagar, Bhubaneswar - 751007. Ph: 0674 - 2547531 / 2547532 **Bokaro** B-1 (1st floor), Near Sona Chandi jewellers, City Centre, Sector-4, Bokaro Steel City - 827 004. Ph: 06542 - 233330 / 320730 **Calicut** II nd floor, Sowbhagya shopping complex, Mavoor Road, Calicut - 673 004. Ph: 0495 - 2742105 / 7 / 2742107 Ph: 0495 - 2742141 **Chandigarh** SCO-371-372 First Floor, Above HDFC Bank, Sector 35B, Chandigarh - 160 022. Ph: 0172 - 5071726/5071727 **Chennai** Flat No F11, First floor, Akshya Plaza (Erstwhile Harris Road), Opp Chief City Metropolitan Court, #108, Adhithanar salai, Egmore Chennai - 600 002. Ph: 044 - 52028512 / 52028513 / 28277383 **Cochin** 39, Panampilly Nagar, Cochin - 682 036. Ph: 0484 - 4010224 / 4010273 **Coimbatore** SNV Chambers, 482 / 483, Ponne Street, Opp: Power House, Cross Cut Road, Coimbatore - 641 012. Ph: 0422 - 4377211 / 2237501 **Dehradun** Kaulagarh Road, Near Sirmaur Marg, Above Reliance Webworld, Dehradun - 248 001. Ph: 0135 - 3958246 / 3258246 **Dhanbad** 208, New Market, Katras Road, Dhanbad - 826001. Ph: 0326 - 2301045 / 2301046 **Erode** No. 4, KMY Salai, Veerappan Traders Complex, Opp: Erode Bus Stand, Sathy Road, Erode - 638 003. Ph: 0424 - 2225615 / 2225616 **Gorakhpur** Above V.I.P. House, Ajdacent A.D. Girls College, Bank Road, Gorakhpur - 273 001. Ph: 0551 - 2346519 / 2333825 **Guntur** Door No. 6- 10-18, Chunduri House, 10 / 1, Arundelpet, Guntur - 522 002. Ph: 0863 - 2326684 / 86 **Guwahati** 2nd Floor, Ram Kumar Plaza, Chatribari Road, Near Himatshinga Petrol Pump, Guwahati - 781 001. Ph: 0361 - 2608122 / 2608016 **Gwalior** 37 / 38, Near Nadi Gate Pul, MLB Road, Shinde Ki Chhawani, Lashkar, Gwalior - 474 001. Ph: 0751 - 5069001 / 5069004 **Hubli** Giriraja House, No.451 / B, Ward No.1, Club Road, Hubli - 580 029. Ph: 0836 - 2356201 / 2356202 **Hyderabad** 21, Avenue 4, Street No.1 Banjara Hills, Hyderabad - 500 034. Ph: 040 - 23312454 **Indore** DM Tower, 105, 106 & 107 Above Standard Chartered Bank, Near jangeerwala chowrah, Indore- 452 001. Ph: 0731 - 3014204 / 5 / 5069894 **Jaipur** S-16 A, 3rd floor, Land mark, Opposite Jaipur Club, Mahavir Marg, C- Scheme, Jaipur - 302 001. Ph: 0141 - 2363321 / 2375039 **Jalandhar** Lower Ground Floor, Office No. 3, Plot No. 28, G T Road. Jalandhar - 144 004. Ph: 0181 - 3315124 / 5000771 **Jalgaon** 1, Shresta Apartments, Balirampeth, Jalgaon - 425 001. Ph: 0257 - 3090532 / 2226761 **Jamnagar** Sanskruti, 5 Patel Colony Corner, Opp UTI bank, Jamnagar - 361 008. Ph: 0288 - 3299330 / 3299332 **Jamshedpur** Kanchan Tower, III rd Floor, Chhaganlal Dayalji & Sons, 3-5 B Shop Area, (Near Traffic Signal) Main Road, Bistupur, Jamshedpur - 831 001. Ph: 0657 - 2487045 / 2487048 **Jodhpur** 203, Modi Arcade, Chupasni Road, Jodhpur - 342 001. Ph: 0291 - 5103026 / 5103046 **Kanpur** 15 / 46, B, First Floor, Opp: Muir Mills, Civil Lines, Kanpur - 208 001. Ph: 0512 - 3296000 / 3293222 **Kolhapur** Omkar Plaza, 1st Floor, Unit - F2 & F4, Rajaram Road, Next to ICICI Bank Ltd, Kolhapur - 416 008. Ph: 0231-2520675 / 76 **Kolkata** 16 Jatin Bagchi Road Kolkata - 700 029 Ph: 033 - 24659263 / 4659267 **Kota** AL - HATMI complex, 2nd Floor, 257, Shopping Centre, Kota - 324 007 Ph: 0744 - 2365144 / 2365145 **Kottayam** 1st Floor, CSI Ascension Church Complex, Kottayam - 686 001. Ph: 0481 - 2302420 / 2302421 **Lucknow** 94, Mahatma Gandhi Marg, Opp Governor House, Lucknow - 226 001. Ph: 0522 - 2236819 / 2236820 **Ludhiana** SCO-3, Feroze Gandhi Market, Ludhiana - 141 001. Ph: 0161 - 3018445 / 3018460 **Madurai** Rakesh Towers, 30-C, Bye Pass Road, 1st floor, Opp: Nagappa Motors, Madurai - 625 010. Ph: 0452 - 2600852 / 2600853 / 54 **Moradabad** First Floor, Singh Bhawan, Taari Khana Chowk, G M D Road, Moradabad - 244 001. Ph: 0591 - 3099643 / 2310470 **Mumbai** 26 / 30, Fort Foundation Bldg, Near

MSC Bank, Maharashtra Chamber Of Commerce Lane, Fort, Mumbai - 400 023. Ph: 022 - 56341967 / 56346513 **Mysore** L - 350, Silver Tower, Clock Tower, Mysore - 570 001. Ph: 0821 - 2438006 / 2441520 **Nagpur** 230 / 231, 3rd floor, Shiram Shyam Towers, Next to NIIT Building, Sadar Kings Way, Nagpur - 440 001. Ph: 0712 - 5610513 / 5612375 **Nasik** F-1, Suyojit Sankul, Sharanpur Road, Nasik - 422 002. Ph: 0253 - 5602542 / 5602543 **New Delhi** 105-108, Arunachal Building, 19, Barakhamba Road, Connaught Place, New Delhi - 110 001. Ph: 011 - 23737194 / 23324401 **Patiala** SCO 27 D, Chhoti Baradari Patiala - 147 001. Ph: 0175 - 5051726 / 5051727 **Patna** Anand Towers, 2nd Floor, Exhibition Road, Near Republic Hotel, Opp. Mithila Motors, Patna - 800 001. Ph: 0612 - 2321355 / 2321354 **Pune** Srinath Plaza, C Wing, Office No. 68 and 69, 3rd Floor, Dyaneshwar Paduka Chowk, Survy No. 184 / 4, F C Road, Pune - 411 004. Ph: 020 - 25533795 / 25532783 **Rajahmundry** 79-1-3 / 1 First Floor, Near Ramalayam Centre, Jawaharlal Nehru Road, Rajahmundry - 533 103. Ph: 0883 - 2437494 / 2434470 **Ranchi** Commerce Towers, 3rd Floor, Beside Mahabir Towers, Main Road, Ranchi - 834 001. Ph: 0651 - 2331320 / 2330386 **Salem** 49 / 50, Fort Main Road, Shevapet, Salem - 636 002. Ph: 0427 - 4020300 / 2210835 **Siliguri** Nanak Complex, 2nd Floor, (Near Church Road) Svoke Circle, Siliguri - 734 001. Ph: 0353 - 2526393 / 2526399 **Surat** G / 16 Empire State Building, Near Udhna Darwaja, Ring Road, Surat - 395 002. Ph: 0261 - 3017155 / 3017156 **Trichur** 2nd Floor, Brother's Complex, Near Dhana Laxmi Bank Head Office, Naikkanal Junction, Trichur - 680 001. Ph: 0487 - 2322483 / 2322484 **Trichy** 60, Srikrishna Arcade, 1st Floor, Thennur High Road, Trichy - 621 017. Ph: 0431 - 2793799 / 4020227 **Trivandrum** 2nd Floor, Akshaya Towers, Sasthamangalam, Trivandrum - 695 010. Ph: 0471 - 2725987 / 2725989 **Udaipur** 201-202, Madhav Chambers, Opp. G.P.O, Chetak Circle, Madhuban, Udaipur-313 001 Ph: 0294-5101601 / 5101602 **Valsad** Shop No 2, Phiroza Corner, ICICI Bank, Char Rasta, Tithal Road, Valsad - 396001. Ph: 02632 - 396901 / 02 **Vijayawada** 39-10-7, Opp: Municipal Water Tank, Labbipet, Vijayawada - 520 010 Ph: 0866 - 2495200 / 2495400 **Visakhapatnam** 47-14-5 / 1 Esvar Paradise, Dwaraka Nagar, Main Road, Visakhapatnam - 530 016. Ph: 0891 - 2752917 / 2752915

Sundaram BNP Paribas Asset Management Co Ltd Location of Official Point of acceptance

Andra Pradesh: V V Vintage Boulevard, F.No.203, 2nd Floor, Raj Bhavan Road, Somajiguda, Hyderabad 500082 • D.No. 40-10-5, Sree Ramachandra Complex, Benz Circle, Bajaj Showroom Lane, Vijayawada-520010. Ph. No. 0866-2470778 • C/o Sundaram Finance Ltd., 47-10-13, Rednam Regaency, Near Diamond Park, Dwarakanagar, Visakhapatnam-530016. Ph.no. 0891-3209440 **Bihar:** 205, Ashiana Hari Niwas, New Dak Bunglow Road, Patna-800001.Ph. No. 0612-3200593 **Delhi:** 605, 6th Floor, Ashoka Estate, 24, Barakhamba Road, New Delhi - 110 001. Ph.no. 011-41515138 **Gujarat:** 104, Arth Complex, Behind A.K. Patel House, Mithakali Six Roads, Navarangpura, Ahmedabad 380009. Ph. No. 079-66613337 • 127, 1st Floor, Siddharth Complex, Near Express Hotel, R.C.Dutt Road, Alkapuri, Baroda-390007 Ph. No. 0265-2320671 • L-14, Jolly Plaza, Opp- Athwa Gate Police Station, Athwa Lines, Surat-395001. Ph.no. 0261-2461384 **Rajkot:** C/o. Sundaram Finance Ltd., Flat No. 113, I Floor, Umesh Coml Complex, Near Chowdry High School, Kasturba Road, Rajkot 360 001 **Karnataka:** 1st Floor, Maangalaya punarbhav, 132, Brigade Road, Next to Raheja Chancery, Bangalore - 560025. Ph. No. 080-22076707 **Kerala:** C/o Sundaram Finance Ltd., The Monarch, I Floor, P.T.Usha Road, Ernakulam, Cochin- 682011. Ph. No.09947045339 **Madhya Pradesh:** Plot No. 10&11, 3rd floor, Alankar palace, Bank street, M.P.Nagar, Bhopal-462011. Ph. No.0755-3203306 • 125, Starlit Towers, Y.N.Road, Indore - 452001. Ph. No. 0731-3203204 **Maharashtra:** 602 603 , 6th Floor, Dalamal House, Nariman Point, Mumbai - 400 021. Ph. No. 022-22842878 • 1st Floor, Rachana Trade Estate, Erandwane, Opp Swad Hotel, Pune-411004. Ph. No. 020-30280927 **Punjab:** SCO-2475-2476, 2nd Floor, Sector 22C Chandigarh-160022. Ph. No. 0172-5009166 **Rajasthan:** 206, II Floor, Siddhi Vinayak Apartments, Ashok Marg, Jaipur-302011. Ph. No. 0141-5118364 **Tamilnadu:** O No 9, N No 23 Mootha Centre, Kodambakkam High Road, Chennai 600034. Ph. No. 044-28237262 • Sundaram Towers, 2nd Floor, 46, Whites Road, Chennai 600014. Ph. No. 044-28583362 • No 41-A, I Floor, West Lokmanya Steet, R.S.Puram, Coimbatore-641002. Ph.no. 0422-4360058 • No: 183C, North Veli Street, Opp: Duke Hotel, Madurai-625001. Ph. No. 0452-4376801 • Krishna Complex, 1st Floor, 60, Shastry Road, Tennur, Trichy-620071. Ph.no. 0431-2741509 • First Floor, TKM Complex, 46 - 51, Katpadi Road, Vellore-632 004. Ph. No. 09843242336 **Uttar Pradesh:** 2nd Floor, Office No: 206, Krishna Tower, 15/63, Civil lines, Kanpur-208001. Ph. No. 0512-3018530. **West Bengal:** "Lords Building", 7/1, Lord Sinha Road, Room No: 312, 3rd Floor, Kolkata-700071, Ph. No. 033-30580160

POS Locations for submitting MIN Forms

- Ahmedabad • Bangalore • Chennai Sales Office • Chennai Corporate Office
- Hyderabad • Kolkata • Mumbai • New Delhi • Pune

(Refer addresses as above)

Highlights

- A mutual fund sponsored by Sundaram Finance Limited and BNP Paribas Asset Management Company
- The Scheme seeks capital appreciation by investing in diversified 'small-cap' stocks.
- Sundaram BNP Paribas Select Small Cap Fund is a close-ended Equity scheme with duration of 5 years.
- The primary investment objective of the scheme is to generate consistent long-term returns by investing predominantly in equity/equity related instruments of companies that can be termed as 'smallcaps'.
- Growth option and dividend option with payout option only.
- Sale of units will be for a minimum of Rs. 5000 and in multiples of Rs. 500 thereafter.
- Dividend income from units of the Scheme is exempt in the hands of the investor as per the prevailing tax laws.

Risk Factors

- Mutual funds and securities investments are subject to market risks and there is no assurance or guarantee that the objectives of the Scheme will be achieved.
- As with any investment in securities, the NAV of the units issued under this Scheme may go up or down depending on the factors and forces affecting capital markets.
- Past performance of the Sponsor/AMC/Mutual Fund does not indicate the future performance of the Schemes of the Mutual Fund.
- The Sponsors are not responsible or liable for any loss resulting from the operation of the schemes beyond Rs. 1 lakh contributed by it towards setting up of the Mutual Fund.
- Sundaram BNP Paribas Select Small Cap is the name of the Scheme and does not in any manner indicate either the quality of the Scheme or its future prospects and returns.
- The NAV of this Scheme may be affected by settlement periods and transfer procedures.
- Trading volumes may restrict the liquidity of the Scheme's investments.
- Investors in the Scheme are not being offered any guaranteed returns.

Minimum Number of Investors in Schemes/Plans of Mutual Funds

As per SEBI Circular No. SEBI/IMD/Cir No.10/22701/03 dated December 12, 2003 read with SEBI Circular No. SEBI/IMD/Cir No. 1/42529/05 dated June 14, 2005, each scheme and individual plan(s) under the schemes should have a minimum of 20 investors and no single investor should account for more than 25% of the corpus of such scheme/ plan(s). In case of close-ended scheme / plan, if either of the above two conditions are not fulfilled immediately after the close of the NFO i.e. at the time of allotment, the provisions of Regulation 39(2)(c) of the SEBI (Mutual Funds) Regulations, 1996, would become applicable automatically without any reference from SEBI. Accordingly, the scheme / plans shall be wound up by following the guidelines prescribed by SEBI and the investors' money would be redeemed at applicable NAV.

Scheme Specific Risk factors

- The stock that forms the portfolio will comprise of 'Small Caps' stocks. Small cap stocks are generally illiquid in terms of trading volumes on stock markets. Investors therefore should assume that

illiquidity risks are higher in this fund than in a normally diversified fund. This may result in higher impact costs. Impact costs are those costs that are incurred for acquiring and disposing off the stocks. These are different from brokerage and custodian charges. The scheme does not guarantee that impact cost will be minimised or eliminated.

- The scheme may invest up to 10% of its net assets in unlisted equity and equity related instruments, which could affect the liquidity of the scheme.
- The scheme may invest in privately offered debt securities. This may expose the scheme to liquidity risks.
- Change in Government policy in general and changes in tax benefits applicable to mutual funds may impact the returns to Investors in the plans.
- As per SEBI Regulations, initial issue expenses chargeable to the scheme are subject to a maximum of 6% of the amount collected during the New Fund Offer Period. The initial issue expenses shall be amortised in the books of the scheme within five years from the date of allotment in terms of SEBI Regulations. Therefore, the NAV of the scheme will be reduced daily upto a maximum extent Rs. .0003 per unit due to amortisation of initial issue expenses.
- While smaller size companies may offer substantial opportunities for capital appreciation, they also involve substantial risks. Historically, these companies have been more volatile in price than larger company securities, especially over the short term. Among the reasons for the greater price volatility are the less certain growth prospects of smaller companies, the lower degree of liquidity in the markets for such securities, and the greater sensitivity of smaller companies to changing economic conditions. Smaller Companies carries large amount of liquidity risk compared to the Large Cap companies, as the ability to sell is limited by overall trading volume in the securities, which it invests.

In addition, smaller companies may lack depth of management, be unable to generate funds necessary for growth or development, or be developing or marketing new products or services for which markets are not yet established and may never become established. They could also suffer from disadvantages such as - outdated technologies, lack of bargaining power with suppliers, low entry barriers and inadequate management depth.

Overall, the risks of investing in small companies are (a) transparency/liquidity levels may not be on par with established, large companies; (b) corporate governance may be an issue with some companies; and (c) they may not be resilient enough to withstand shocks of business/economic cycles.

Prevention of Money Laundering

In terms of the Prevention of Money Laundering Act, 2002, the Rules issued there under and the guidelines/circulars issued by SEBI regarding the Anti Money Laundering (AML Laws), all intermediaries, including Mutual Funds, have to formulate and implement a client identification programme, verify and maintain the record of identity and address (es) of investors.

In order to make the data capture and document submission easy and convenient for the investors, Mutual Fund Industry has collectively entrusted this responsibility of collection of documents relating to identity and address and record keeping to an independent agency (presently CDSL Ventures Limited) that will act as central record keeping agency ('Central Agency'). As a token of having verified the identity and address and for efficient retrieval of records, the Central

Agency will issue a Mutual Fund Identification Number ('MIN') to each investor who submits an application and the prescribed documents to the Central Agency.

Investors who have obtained the MIN can invest in the schemes of the mutual fund by quoting the MIN in lieu of submitting information and documents required under AML Laws.

Mutual Fund Identification Number

Investors who wish to obtain a MIN have to submit a completed Application Form for MIN ('MIN Form') along with all the prescribed documents listed in the MIN Form, at any of the Point of Service ('POS'). The MIN Form is available at our website (www.sundarambnpparibas.in) and AMFI website (www.amfiindia.com). POS are the designated centres appointed by the Central Agency for receiving application forms, processing data and allotment of MIN. List of and location of POS is available at our website (www.sundarambnpparibas.in) and www.amfiindia.com. On submission of application, documents and information to the satisfaction of the POS, the investor will be allotted a provisional MIN across the counter. Subsequently, the Central Agency will scrutinize the information and documents submitted by the investor, and confirm the MIN. However, the Central Agency may cancel the MIN within 15 working days from the date of allotment of provisional MIN, in case of any deficiency in the document/information. Intimation on cancellation of MIN will be dispatched by the Central Agency to the investor immediately. No communication will be sent to the investor if the MIN as allotted is confirmed.

Presently, it is mandatory for all applications for subscription of value of Rs.50,000/- and above to quote the MIN of all the applicants (guardian in case of minor) in the application for subscription. The MIN will be validated with the records of the Central Agency before allotting units. Applications for subscriptions of value of Rs.50,000/- and above without a valid MIN may be rejected.

In the event of any MIN Application Form being subsequently rejected for lack of information / deficiency / insufficiency of mandatory documentation, the investment transaction will be cancelled and the amount may be redeemed at applicable NAV, subject to payment of exit load, wherever applicable. Such redemption proceeds will be despatched within a maximum period of 21 days from date of acceptance of application. (In case of an ELSS Scheme or a New Fund Offer, allotment will be done only on confirmation from the Central Agency that the MIN is final and if the Central Agency informs that the MIN is cancelled, the original amount invested will be refunded).

All investors (both individual and non-individual) can apply for a MIN. However, applicants should note that minors cannot apply for a MIN and any investment in the name of minors should be along with a Guardian, who should obtain a MIN for the purpose of investing with a Mutual Fund. Also, applicants / unit holders intending to apply for units / currently holding units and operating their Mutual Fund folios through a Power of Attorney (PoA) must ensure that the issuer of the PoA and the holder of the PoA must mention their respective MIN at the time of investment above the threshold. PoA holders are not permitted to apply for a MIN on behalf of the issuer of the PoA. Separate procedures are prescribed for change in name, address and other MIN related details, should the applicant desire to change such information. POS will extend the services of effecting such changes.

All the other terms and conditions of the respective schemes' Offer Documents will remain unchanged. This addendum forms an integral part of the Offer Documents of the respective schemes, read with the addenda issued from time to time.

Applicants / Unit holders may contact our Investor Service Centers / their distributors, if any for any additional information/clarifications. Also, please visit our website www.sundarambnpparibas.in for any other related information.

General

Prospective investors should review / study this Offer Document carefully and in its entirety and shall not construe the contents hereof or regard the summaries contained herein as advice relating to legal, taxation, or financial/ investment matters and are advised to consult their own professional advisor(s) as to the legal or any other requirements or restrictions relating to the subscription, gifting, acquisition, holding, disposal (sale, transfer, switch or redemption or conversion into money) of Units and to the treatment of income (if any), capitalization, capital gains, any distribution, and other tax consequences relevant to their subscription, acquisition, holding, capitalization, disposal (sale, transfer, switch or redemption or conversion into money) of Units within their jurisdiction / of nationality, residence, domicile etc. or under the laws of any jurisdiction to which they or any managed Funds to be used to purchase/gift Units are subject, and (also) to determine possible legal, tax, financial or other consequences of subscribing / gifting to, purchasing or holding Units before making an application for Units.

Neither this Offer Document nor the units have been registered in any jurisdiction. The distribution of this Offer Document in certain jurisdictions may be restricted or subject to registration requirements and, accordingly, persons who come into possession of this Offer Document in certain jurisdictions are required to inform themselves about, and to observe, any such restrictions. No person receiving a copy of this offer document or any accompanying application form in such jurisdiction may treat this Offer Document or such application form as constituting an invitation to them to subscribe for Units, nor should they in any event use any such application form, unless in the relevant jurisdiction such an invitation could lawfully be made to them and such application form could lawfully be used without compliance with any registration or other legal requirements.

Neither the delivery of this Offer Document nor any sale made hereunder shall, under any circumstances, create any implication that the information contained herein is correct as of any time subsequent to the close of the New Fund Offering Period.

SUNDARAM BNP PARIBAS SELECT SMALL CAP

Certificate of Due Diligence

It is confirmed that:

1. This Offer Document forwarded to SEBI is in accordance with the SEBI (Mutual Funds) Regulations, 1996 and the guidelines and directives issued by SEBI from time to time.
2. All legal requirements connected with the launching of the Scheme and also the guidelines, instructions, etc. issued by the Government of India and any other competent authority in this behalf, have been duly complied with.
3. The disclosures made in this Offer Document are true, fair and adequate to enable the investors to make a well-informed decision regarding investment in the Scheme.
4. The intermediaries named in the offer document are registered with SEBI and till date such registration is valid.

Place: Chennai

Date: 23/12/2006

T P Raman

Managing Director

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DEFINITIONS

In this Offer Document, the following words and expressions shall have the meaning specified herein, unless the context otherwise requires:

Asset Management Company or AMC or Investment Manager	Sundaram BNP Paribas Asset Management Company Limited, a company incorporated under the Companies Act, 1956 and registered with SEBI to act as the Investment Manager for the schemes of Sundaram BNP Paribas Mutual Fund.
Custodian	Standard Chartered Bank, acting as Custodian to the Scheme, or any other custodian who is approved by the Trustees.
Mutual Fund	Sundaram BNP Paribas Mutual Fund, a trust set up under the provisions of the Indian Trusts Act, 1882 and registered with SEBI vide Registration No.MF/034/97/2 dated January 3, 1997.
NAV	The Net Asset Value per unit of this Scheme calculated in the manner provided in this Offer Document or as may be prescribed by SEBI Regulations from time to time.
Offer Document	This document issued by Sundaram BNP Paribas Mutual Fund offering units of Sundaram BNP Paribas Select Small-Cap for investment.
Scheme	Sundaram BNP Paribas Select Small Cap, a Close-ended equity Scheme with duration of five years .
SEBI	Securities and Exchange Board of India, established under the Securities and Exchange Board of India Act, 1992.
SEBI Regulations / Regulation	Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 as amended from time to time.
Trust Deed	The Trust Deed dated August 24, 1996 (as amended from time to time) establishing Sundaram BNP Paribas Mutual Fund.
Trustee	Sundaram BNP Paribas Trustee Co Ltd, a company incorporated under the companies act, 1956 and appointed as a Trustee of Sundaram BNP Paribas Mutual Fund vide the Trust deed dated March 31, 2006
Unit	'Unit' means the interest of the unitholders in a scheme, which consists of each unit representing one undivided share in the assets of the Scheme.
Unitholder	A participant in the Scheme.
Working Day	A day other than: (1) Saturday and Sunday; (2) a day on which National Stock Exchange or Bombay Stock Exchange is closed; (3) a day on which there is no Reserve Bank of India (RBI) clearing; and (4) a day on which the sale and repurchase of Units are suspended by the Trustees.

PART I

(1) SCHEME SUMMARY

Name of the Scheme	SUNDARAM BNP PARIBAS SELECT SMALL CAP		
Structure	Close-ended equity scheme.		
Offer Price	During the New Fund Offer period the units are offered at Rs.10/-		
Scheme Objective	The primary investment objective of the scheme is to generate consistent long-term returns by investing predominantly in equity/equity related instruments of companies that can be termed as "smallcaps".		
Application Amount	Minimum application of Rs.5000/- and in multiples of Rs.500 thereafter.		
Target Amount	<p>During the New Fund Offer Period, units are offered at Rs. 10/- each and the entire amount is payable on application. The minimum targeted amount of subscription during the NFO period is Rs. 1.00 cr. And the maximum limit is fixed at Rs. 300 cr. The AMC has a right to retain 10% of the maximum limit (i.e Rs. 30 cr.), over and above the maximum limit of Rs. 300 cr., in case of any oversubscription. The aggregate mobilization including the oversubscription shall not exceed Rs. 330 cr.</p> <p>In the event of scheme mobilizing a sum of Rs.300 cr., the AMC shall make an announcement in two newspapers intimating its intention to close the offer.</p> <p>Allotment is assured to eligible applicants till the subscription reaches the maximum limit, provided the applications are complete in all respects and in order.</p> <p>In terms of SEBI Regulations applicants applying up to 5000 units shall be given full allotment, provided the applications are complete in all respects and in order and subject to the aggregate mobilization Rs.330 cr. indicated in the Para 1</p> <p>If the moneys received from the applicants for units are in excess of Rs. 330 cr. The AMC shall refund such excess money to the applicants.</p>		
Initial Issue Expenses	The initial issue expenses will be borne by the Scheme subject to a maximum of 6% of the mobilizations during the NFO period and will be amortised over a period of 5 years.		
Liquidity	Being a close-ended scheme, the units will not be offered for sale on an ongoing basis. However unitholders may redeem their units once in a fortnight in a month, subject to a maximum of 10% of their holdings in a year. In other words, an exit option will be provided to them on every second & fourth Friday in a month and the payment shall be made within 10 working days from the date of receipt of application. The unitholders may redeem their units not exceeding 10% of their holdings at the applicable NAV, subject to payment exit load and proportionate unamortised initial issue expenses.		
Transparency	The NAV will be normally determined for all working days and published weekly on Wednesday. In terms of SEBI Regulations, NAV will be calculated upto 2 decimal places. The fund would publish the half yearly and annual results as per the SEBI regulations.		
Load Structure	Period	Exit Load	
	Upto 12 Months	3%	
	After 12 Months to 24 Months	2.5%	
	After 24 Months to 36 Months	2%	
	After 36 Months to 48 Months	1%	
After 48 Months to 60 Months	0.5%		
SEBI Circular IMD/CIR No. 1/64057/06 dated April 4, 2006 required that the closed ended schemes shall not charge any entry load. Since Sundaram BNP Paribas Select Small Cap is a closed ended scheme, no entry load shall be levied.			

(2) CONSTITUTION OF THE MUTUAL FUND

Sponsor

The Sponsors of the Sundaram BNP Paribas Mutual Fund are Sundaram Finance Limited (SF) and BNP Paribas Asset Management (BNP PAM) Sundaram BNP Paribas Asset Management Company Limited is a Joint Venture of Sundaram Finance Limited and BNP Paribas Asset Management.

Sundaram Finance Ltd

SF is India's leading non-banking finance company having a track record for more than 51 years with an asset base over Rs. 5,615 Crores. A strong player in the Commercial vehicle and Car finance segments, the Sundaram Finance Group's services range from automobile finance to home loans to mutual funds to insurance. Sundaram Finance has a nation wide network of over 165 branches, an employee strength of over 2000 people and stands as one of the most trusted financial services provider in the country. Sundaram Finance Group remains true to its core values of prudence, fairness, transparency and service excellence It has a deposit base exceeding Rs. 628 Crores covering over 2,68,000 accounts and an uninterrupted dividend record of accomplishment since inception. The public deposit schemes of SF enjoy the prestigious 'FAAA' (F triple A) rating from Credit Rating Information Services of India Ltd (CRISIL) and the prestigious MAAA (M triple A) rating from ICRA Ltd signifying the highest degree of safety of depositors' funds. SF's commercial paper has been rated P1+ by CRISIL. Sundaram BNP Paribas Asset Management Company Ltd is a subsidiary of Sundaram Finance Ltd. SF is holding 50.10% in the paid up share capital of the company and the balance 49.90% is held by BNP PAM.

Other subsidiaries of SF are:

1. Sundaram Home Finance Limited, set up in 1999, provides retail home finance.
2. Royal Sundaram Alliance Insurance Company Limited: The company is a joint venture between Sundaram finance Limited and Royal & Sun Alliance Plc. The company is engaged in Non Life Insurance Business.
3. Sundaram Finance Distribution Limited (formerly Sundaram Insurance Broking Limited) distributes and markets financial, savings, loan, investments and insurance products.
4. LGF Services (Private) Limited: The company engaged in the services of distributing Non-Life Insurance products.
5. Sundaram BNP Paribas Trustee Company Limited (Formerly Sundaram Finance Trustee Company Ltd) was incorporated on December 2, 2003. The trustee Company has assumed the trusteeship functions fully from the Board of trustees of Sundaram Mutual Fund with effect from March 31st, 2006. After the introduction of BNP Paribas Asset Management as Co-Sponsor of the Mutual Fund the company has become a joint venture company.
6. Sundaram InfoTech solutions Limited is engaged in the business of IT Services, Customised Software Solutions, Software products to cater the needs of financial services Industry, data center and Industrial Management, network management, data warehousing and related services.
7. Sundaram Business Services is engaged in Business Process Outsourcing, back office support in areas of automobile financing, insurance and accounting services.

The Sponsor has irrevocably settled a sum of Rs 1 Lakh as corpus of the Trust, which shall be held and managed by the Trust in accordance with the Trust Deed dated March 31st 2006.

Financial performance of Sundaram Finance Ltd for the last 3 financial years –

(Rs. In Crore)

Description	Period ended 30/09/2006	Year ended 31/03/2006	Year ended 31/03/05	Year Ended 31/03/04
Turnover/Total Income	290.57	595.85	459.08	357.89
Profit after tax	41.68	170.59	75.99	55.62
Equity Capital (FV Rs. 10/- each)	27.78	27.78	27.78	24.00
Free Reserves	824.73	783.05	655.22	499.24
Net worth	852.51	810.83	683.00	523.24
Earnings Per share (Rs.)	15.01	61.42	27.36	23.18
Book Value per share (Rs.)	306.87	291.92	283.01	218.02
Percentage of Dividend Paid	-	135%	75%	70%

(Source: published Unaudited/ Audited Financial results of Sundaram Finance Limited);

BNP PARIBAS ASSET MANAGEMENT

BNP Paribas Asset Management is a wholly controlled subsidiary of BNP Paribas and is a major player in fund management and distribution, with Euro 274 Billion in assets under management and advisory as on Dec 31, 2005, and more than 1400 staff and a presence in 20 countries.

Group Companies of BNP PAM Ltd are:

- BNP PAM GmbH (Germany) is an entity, which markets financial products. It is not regulated and was established in May 1986
- BNP PAM SGR (Italy) is an asset management company. It is regulated by the CONSOB and the Bank of Italy. It was established in December 1998.
- Antin Participation 19 (France) is a company buying equity interests in financial companies; it is not regulated and was established in June 2004
- Shenyin Wanguo BNP PAM (China) is an asset management company. It is regulated by the commission de Surveillance. It was established in May 1989.

Associate companies of BNP PAM:

- Fauchier Partners Management Limited (Guernsey) is an asset management company. It is regulated by the Guernsey Financial Services commission. It was established in September 2001.
- BNP Paribas Asset Management Asia Limited (Hong Kong) is an asset management company. It is regulated by the Securities and Futures Commission. It was established in June 1997.
- BNP PAM Monaco (Monaco) is an asset management company. It is regulated by the Commission de Surveillance. It was established May 1989.

Financial performance of BNP Paribas Asset Management for three financial years

(In Million Euros)

Description	Year Ended 31/12/04	Year Ended 31/12/03	Year Ended 31/12/02
Turnover/Total Income	605.75	521.07	529.91
Profit after tax	102.96	90.83	64.23
Equity Capital (FV –Euro 16.)	62.85	59.61	55.19
Free Reserves	337.51	324.46	343.57
Net worth	400.36	384.08	343.57
Earnings Per share (Euro)	26.21	24.38	18.62
Book Value per share (Euro)	101.93	103.08	99.59
Percentage of Dividend Paid**	100%	100%	100%

* Face value of the stock at Euro 16.

** Dividends paid as a percentage of Profit after Tax.

Sundaram BNP Paribas Mutual Fund

Sundaram Mutual Fund has been constituted as a Trust under the Indian Trusts Act, 1882. The Mutual Fund has been registered with SEBI vide Registration No. MF/034/97/2 dated January 3, 1997. The trust deed dated August 24, 1996 and the deed of amendment dated March 22, 2004 have been duly registered with the Sub - Registrar, Chennai under serial no 356 of 1996 and serial number 108 of 2004, respectively. The sponsor has irrevocably settled a sum of Rs. 1 lakhs as corpus of the

trust, which shall be held and managed by the trust in accordance with the Trust deed dated August 24, 1996.

After the introduction of BNP Paribas Asset Management as the cosponsor of the Mutual Fund, the Trust Deed has been amended. The amended Trust Deed dated March 31st, 2006 has been duly registered with the Sub-registrar, Chennai, under Serial No. 193 of 2006.

Sundaram BNP Paribas Trustee Company

The Sponsors, Sundaram Finance Limited and BNP Paribas Asset Management has appointed Sundaram BNP Paribas Trustee Company Ltd as the Trustee vide an amended Trust Deed dated 31st March 2006.

The Board of Directors of the Trustee Company

Name, Address	Principal Occupation
Mr. K.V. Ramanathan, IAS (Retired) Chairman (Independent Director) Rohini, # 9 Second Seaward Road, Valmiki Nagar, Thiruvanniyur, Chennai – 600 041.	Former Executive Director Asian Development Bank Manila, Philippines Chairman Bangalore Land and Homes Ltd
Mr. S. Viji New No.71, Old No.33, Poes Garden, Chennai – 600 086	Chairman Sundaram Finance Limited Sundaram Home Finance Limited TVS Lean Logistics Limited. Managing Director Brakes India Limited Director Sundaram Industries Limited TV Sundram Iyengar & Sons Limited Wheels India Limited Royal Sundaram Alliance Insurance Company Limited Managing Trustee Bharath International Trust, Chennai Trustee Sundaram Educational Trust Sundaram Medical Foundation Vice Chairman Worth Trust, Katpadi
Mr. R. Rajamani (Independent Director) 8-2-585/A/1, Road No.9 Banjara Hills Hyderabad - 500 034	Former Secretary Environment & Forests Government of India Director ICICI Knowledge Park Canara Bank Factors Ltd.
Mr. K.V. Krishnamurthy (Independent Director) 174, Kalpataru Residency, Tower A 107 Road no.8, Sion (East) Mumbai 400 022	Director Assets Reconstruction Company of India Ltd. Rap Media Limited, Mumbai Centrum Finance Limited Centrum Direct Limited Essel Propack Limited JSW Steel Ltd Rathnakar Bank Limited Borosil Glass works Partner (Part Time) KCA & Co., Chartered Accountants
Mr. Rault, Yann 40 Avne Junot, 75018 Paris, France	No other directorships held currently
Mr. Al Noor Premji 63A Ulundri Drive, Castle Hill, NSW 2154, Australia	No other directorships held currently

FUNCTIONS AND RESPONSIBILITIES OF TRUSTEES

The trustees are vested with the general power of superintendence, direction and management of the affairs of the Trust. The trustees have appointed Sundaram Asset Management Company Limited as the AMC for Sundaram Mutual Fund and have to ensure that the AMC fulfils the functions assigned to it, from time to time, subject to the Trust Deed, SEBI Regulations and laws in force.

- The trustees report every half-year to SEBI and annually to the investors on the functioning of the Fund. As per the Trust Deed and SEBI Regulations, the trustees inter alia, have the following functions and responsibilities.
- A trustee in carrying out his responsibilities as a member of the Board of trustees or of trustee Company shall maintain arms' length relationship with other companies, or institutions or financial intermediaries or any body corporate with which he may be associated.
- No trustee shall participate in the meetings of the Board of trustees or Trustee Company when decisions for investments in which he may be interested are taken.
- All the trustees shall furnish to the Board of trustees or trustee company, particulars of interest which he may have in any other company, or institution or financial intermediary or any corporate by virtue of his position as director, partner or with which he may be associated in any other capacity.
- Each trustee shall file the details of his transactions of dealing in securities with the Mutual Fund on a quarterly basis.
- The trustees shall have the right to obtain from the Asset Management Company such information as is considered necessary.
- The trustees shall ensure that the transactions entered into by the Asset Management Company are in accordance with the SEBI Regulations and the scheme. The trustees shall ensure that the Asset Management Company has been managing the schemes independently of other activities and have taken adequate steps to ensure that the interest of the investors of one scheme are not being compromised with those of any other scheme or of other activities of the Asset Management Company.
- The trustees shall ensure that all the activities of the Asset Management Company are in accordance with the provisions of the SEBI Regulations.
- Where the trustees have reason to believe that the conduct of business of the Mutual Fund is not in accordance with SEBI Regulations and the scheme, they shall forthwith take such remedial steps as are necessary by them and shall immediately inform SEBI of the violation and the action taken by them.
- The trustees shall be accountable for and be the custodian of the funds and property of the scheme and shall hold the same in trust for the benefit of the unit holders in accordance with SEBI Regulations and the provisions of the Trust Deed.
- The trustees shall be responsible for the calculation of any income due to be paid to the mutual fund and also of any income received in the mutual fund for the holders of the units of the scheme in accordance with the SEBI Regulations and the provisions of the Trust Deed.
- The trustees shall periodically review all service contracts such as custody arrangements, transfer agency of the securities and satisfy themselves that such contracts are executed in the interest of the unit holders.
- The trustees shall periodically review the investor complaints received and the redressal of the same by the Asset Management Company.

- The trustees shall ensure that the mutual fund buys and sells securities on the basis of deliveries and in all cases of purchases, take delivery of the relative securities and in all cases of sale, deliver the securities and in no case put itself in a position whereby it has to make short sale or carry forward transaction or engage in badla finance.
- The trustees are required to obtain the consent of the unit holders of a scheme
 - whenever required to do so by SEBI in the interest of the unit holders; or
 - upon the request made by three-fourths of the unit holders of this scheme; or
 - if the majority of the trustees decide to wind up the scheme(s) or prematurely redeem the units.
- The trustees shall ensure that no change in the fundamental attributes of the scheme(s) or the Trust or fees and expenses payable or any other change which would modify the scheme(s) or affect the interest of the unit holders, shall be carried out unless,
 - a written communication about the proposed change is sent to each unit holder and an advertisement is given in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of the region where the Head Office of the mutual fund is situated; and
 - the unit holders are given an option to exit at the prevailing NAV without any exit load.
- The trustees are required to call for the details of transactions in securities by the key personnel of the AMC in his own name or on behalf of the AMC and shall report the same to SEBI, as and when required.
- The trustees are required to review on a quarterly basis all transactions carried out between the Fund, AMC and its associates.
- The trustees are required to review quarterly the net worth of the AMC and in case of any shortfall ensure that the AMC make up for the shortfall as per clause (f) of sub regulation (1) of regulation 21 of the SEBI Regulations.
- The trustees are required to ensure that there is no conflict of interest between the manner of deployment of its net worth by the AMC and the interest of the unit holders.
- The trustees are required to abide by the Code of Conduct as specified in the Fifth Schedule of the SEBI Regulations.
- The meetings of the trustees shall be held at least once in every two months and at least six meetings shall be held in every year.
- The trustees shall maintain high standards of integrity and fairness in all their dealings and in the conduct of their business.
- The trustees shall render at all times high standards of service, exercise due diligence, ensure proper care and exercise independent professional judgement.
- The trustees have to furnish to SEBI on a half-yearly basis, -
 - a report on the activities of the Fund;
 - a certificate stating that the trustees have satisfied themselves that there have been no instances of self-dealing or front running by any of the trustees, directors and key personnel of the AMC;
- A certificate to the effect that the AMC has been managing the schemes independently of any other activities and in case any activities of the nature referred to in Regulation 24, sub regulation (2) of the SEBI Regulations, have been undertaken by the AMC and has taken adequate steps to ensure that the interests of the unit holders are protected.

- The independent trustees are required to give their comments on the report received from the AMC regarding the investments by the Mutual Fund in the securities of the group companies of the Sponsor.
- No amendment to the Trust Deed shall be carried out without the prior approval of SEBI and the unit holders, where it affects the interest of unit holders.
- In terms of SEBI (Mutual Funds) (Amendment) Regulation 1999, the trustees shall exercise due diligence as under:

A. General Due Diligence:

- The trustees shall be discerning in the appointment of the directors on the Board of the asset management company.
- The trustees shall review the desirability of continuance of the asset management company if substantial irregularities are observed in any of the schemes and shall not allow the asset management to float new scheme.
- The trustees shall ensure that the trust property is properly protected, held and administered by proper persons and by a proper number of such persons.
- The trustees shall ensure that all service providers are holding appropriate registrations from SEBI or concerned regulatory authority.
- The trustees shall arrange for test checks of service contracts.
- The trustees shall immediately report to SEBI of any special developments in the mutual fund.

B. Specific Due Diligence:

The trustees shall:

- Obtain internal audit reports at regular intervals from independent auditors appointed by the trustees;
- Obtain compliance certificates at regular intervals from the AMC;
- Hold meetings of the trustees more frequently;
- Consider the reports of the independent auditor and compliance reports of the asset management company at the meetings of trustees for appropriate action;
- Maintain records of the decisions of the trustees at their meetings and of the minutes of the meetings;
- Prescribe and adhere to a code of ethics by the trustees, the Asset Management Company and its personnel;
- Communicate in writing to the Asset Management Company of the deficiencies and checking on the rectification of deficiencies.

Notwithstanding anything contained in sub regulations (1) to (25) of Regulation 25, the trustees shall not be liable for acts done in good faith if they have exercised adequate due diligence honestly.

The independent trustees shall pay specific attention to the following, as may be applicable, namely:-

- The Investment Management Agreement and the compensation paid under the agreement;
- Service contracts with affiliates – whether the Asset Management Company has charged higher fees than outside contractors for the same services;
- Selection of the Asset Management Company's independent directors;
- Securities transactions involving affiliates to the extent such transactions are permitted;
- Selecting and appointing individuals to fill independent directors vacancies;
- Code of ethics must be designed to prevent fraudulent, deceptive or manipulative practices by insiders in connection with personal securities transactions;

- The reasonableness of fees paid to sponsors, Asset Management Company and any other services provided for;
- Principal underwriting contracts and their renewals;
- Any service contract with the associates of the Asset Management Company.

An audit committee of the trustees has been constituted which reviews the internal audit systems and the recommendations of the internal and statutory audit reports.

For the Current Financial Year (2006-07) four (4) meetings of the Trustees and five (5) meetings of the Audit Committee were held.

The Supervisory role of the Board of Directors of trustee Company is discharged by having continuous feedback from the AMC on the matters of importance and review of the Mutual Funds operations.

Trusteeship Fees

Pursuant to the Trust Deed dated March 31st 2006, (which is amended time to time) presently the Trustee Company is entitled to a fee of 0.01% of the daily average net assets of all the schemes of the Mutual Fund.

THE ASSET MANAGEMENT COMPANY

Sundaram BNP Paribas Asset Management Company Limited, the investment manager of Sundaram BNP Paribas Mutual Fund, is a public limited company, incorporated under the Companies Act, 1956. The paid-up capital of the AMC is Rs.15.33 Crores. It is a Joint venture Company of Sundaram Finance Limited (SF) and BNP Paribas Asset Management (BNP PAM). SF is holding 50.10% in the paid up share capital of the company and the balance 49.90% is held by BNP PAM. SEBI has permitted AMC to commence PMS activity and providing management and advisory services to offshore funds, pension funds, provident funds, venture capitals funds, and management of insurance funds, financial consultancy and exchange of research on commercial basis under regulation 24(2).

The AMC commenced the Investment Advisory Services with effect from December 22, 2005. Portfolio Management Services is yet to be commenced.

Investment Management Agreement

Sundaram Asset Management Company Limited has been appointed as the Investment Manager vide Investment Management Agreement (IMA) dated August 24, 1996, executed between the Trustees and the AMC. Consequent to the change in the name of the AMC and Trustee Company, the agreement stands modified with the name of the Sundaram BNP Paribas Asset Management Company Ltd, as Investment Manager and Sundaram BNP Paribas Trustee Company, as the Trustees.

ii. Board of Directors of Asset Management Company

<p>Mr. D N Ghosh Chairman Former Chairman State Bank of India BC-148 Sector I Salt Lake Calcutta 700 064</p>	<p>Chairman ICRA Limited ICRA Management Consulting Services Ltd. L & L Services (P) Ltd SJK Steel Plant Ltd Opus Financial Services</p> <p>Director Housing Development Finance Corporation Limited Tata Tea Limited Managing Trustee Sameeksha Trust (Economic and Political Weekly)</p>
<p>Mr. S Krishnamurthy (Independent Director) Former Managing Director General Insurance Corporation of India 9 Nandanam Extension Chennai – 600 035.</p>	<p>No other directorships held currently</p>

<p>Mr. T.N. Anantharama Iyer (Independent Director) Former Managing Director Discount and Finance House of India Ltd 8 Rajmayer, 19th Road Khar (West) Mumbai – 400 052</p>	<p>No other directorships held currently</p>
<p>Mr. T.T. Srinivasaraghavan No 5 Kasturi Estates, Third Street Madras 600 086</p>	<p>Chairman Infreight India Technologies India (P) Ltd.</p> <p>Managing Director Sundaram Finance Limited</p> <p>Director Sundaram Home Finance Limited Royal Sundaram Alliance Insurance Company Limited Sundaram InfoTech Solutions Ltd Sundaram Business Services Ltd</p> <p>Council Member Federation of Automatic Dealers Association</p> <p>Member-General Committee Madras Chamber of Commerce & Industry</p> <p>Past President International Finance & Leasing Association</p>
<p>Mr.T.P. Raman, Managing Director Flat No. C#3, "Ashreya", No. 11, Raman Street, T Nagar, Chennai 600 017</p>	<p>Director Association of Mutual Funds In India</p>
<p>Dr. Ashoke Bijapurkar (Independent Director) 210, Konark Shram 156, Madan Mohan Malviya Marg Tardeo MUMBAI – 400034</p>	<p>Managing Director Future Step Advisory Services Pvt. Ltd.</p> <p>Director Dhara Vegetable Oil and Foods Company Ltd Mother Dairy Fruit and Vegetable Private Ltd</p>
<p>Dr. Banikanta Mishra (Independent Director) Professor of Finance Xavier Institute of Management Faculty Quarters No.4 Bhubaneswar 751013.</p>	<p>No other directorships currently held</p>
<p>Mr T Anantha Narayanan (Independent Director) Sri Niketan, 1, Raja Street, Mandaveli, Chennai – 600 028.</p>	<p>Director Indusind Bank Limited Ashok Leyland Properties Ltd. Ashok Leyland Projects Services Ltd. Ashley Holdings Ltd Ashley Investments Ltd. Allsec Securities Limited</p>
<p>Mr. De Froment, Guy 33, Marryat Road, London SW19 5BE, UK</p>	<p>Director BNP Paribas Asset Management Shinhan BNP Paribas ITMC BNP PAM SGR (Italy) BNP Paribas Asset Management UK Ltd BNP Paribas Asset Management Japan Ltd BNP Paribas Asset Management Ltd (Nassau) FPML (Guernsey) BMCI Gestion (Morocco) BNP PAM Uruguay (Uruguay) BNP Paribas Asset Management Argentina SA (Argentina) BNP Paribas Argentina Asset Management SA (Argentina) BNP Paribas Asset Management Brasil Ltd (Brasil) Parvest (Luxembourg) BNP Paribas Japaquant (French SICAV) BNP Paribas Quantamerica (French SICAV)</p>
<p>Mr. Max Diulius 1, Rue Lallier, Paris , France 75009</p>	<p>No other Directorships currently held</p>

Functions and Responsibilities of the AMC

Important duties of the Investment Manager as per the Investment Management Agreement are:

- AMC will assume the day-to-day management of the Mutual Fund and in that capacity, subject to the supervision of the Trustees, shall be responsible for and have powers of implementing schemes and make investment decisions and manage the assets of the schemes of the Mutual Fund in accordance with the scheme objectives, Trust Deed and SEBI Regulations in the best interest of the unit holders.
- Implement a specific scheme in all respects including the allotment and the issue of unit certificates/account statements to the investors who are successful in getting the units allotted to them as per the terms of the Scheme and collect the subscriptions to and sale proceeds of units.
- Disclose the basis of calculating the repurchase price and Net Asset Value (NAV) of units of the schemes of the Mutual Fund as stated in the offer documents and to disclose the NAV to the unit holders at such intervals as may be specified by the Board of Trustees or SEBI or as may be mentioned in the offer document.
- Take all steps to protect the investments made out of the schemes and achieve the objectives of each scheme, as a diligent and prudent person would do.
- Maintain or cause to be maintained a register containing the names and other required particulars of unit-holders in print or magnetic/electronic media.
- Distribute the profits of the schemes earned in accordance with the provisions of the schemes and in conformity with SEBI Regulations.
- Within six months from the date of closing of each financial year, forward to SEBI, a copy of the Annual Report containing the audited annual statements of accounts viz., the Balance Sheet and the Profit and Loss account of the Mutual Fund and other information including details of investments and deposits held by the Mutual Fund so that the entire scheme-wise portfolio of the Mutual Fund is disclosed.
- No offer document of a scheme, key information or memorandum is issued or publicised without the Trustees' prior approval in writing.
- Ensure at all times that the assets and funds of the Mutual Fund are segregated from those of the AMC and assets of any other funds for which the AMC is responsible.
- The AMC shall file with the Trustees details of transactions in securities by its key personnel, transactions with any of its associates, details of interests of directors and other reports required to be filed under SEBI Regulations.
- The AMC shall ensure that the dealings in securities through its associates are in accordance with SEBI Regulations and guidelines issued from time to time.
- The AMC shall maintain high standards of integrity and fairness in all its dealings and in the conduct of its business
- The AMC shall render at all times high standards of service, exercise due diligence, ensure proper care and exercise independent professional judgement.
- The AMC shall not make any exaggerated statement, whether oral or written, either about its qualifications or capability to render investment management services or its achievements
As per SEBI Regulations, any change in controlling interest of the AMC shall be made unless,
 - prior approval of the trustees and SEBI is obtained;
 - a written communication about the proposed change is sent to each unit holder and an advertisement is given in one English

daily newspaper having nationwide circulation and in a newspaper published in the language of the region where the Head Office of the mutual fund is situated; and

- the unit holders are given an option to exit on the prevailing Net Asset Value without any exit load.

Asset Management Fee

Sundaram BNP Paribas Asset Management Company Ltd is entitled to an investment management and advisory fee of 1.25% of the daily average net assets up to Rs 100 crores and 1% of the daily average net assets on the balance amount.

v. Key Personnel of the AMC

Name and Designation	Qualification	Age	Experience
Mr. T P Raman Managing Director	M.Com., CAIIB	64	41 years of which 11 years in Sundaram BNP Paribas AMC in the current position, 30 Years in State Bank of India in various positions.
Mr. N Prasad Chief Investment Officer	M.Com	46	23 years, of which 10 Years in Sundaram BNP Paribas AMC in the current position, 7 years in Canara Bank, 3 years in Canbank Mutual Fund, and 3 years in ICICI Asset Management Co. Limited.
Mr. Sanjay Santhanam Vice-President- Sales & Marketing	B-Tech, PGDM (IIM, Bangalore)	38	15 years, of which 6 Years in Sundaram BNP Paribas AMC, 2 years in Lintas India Ltd, 4 years in Contract Advertising India Ltd and 3 years in ANZ Grindlays Bank.
Mr.Sunil Subramaniam Vice president – Retail Distribution	Msc, MBA	46	22 years out of which 1 Year in Sundaram BNP Paribas in the current positions, 10 years in State Bank of India, 9 years in American Express Bank and 2 years in Bank of America.
Mr.Anoop Bhaskar Head – Equity	B.Com, M B A (Finance)	39	16 years, of which 3 Years in Sundaram BNP Paribas AMC, 1 year in Cross Borders Finance and projects, 1 year in Brisk Financial Services, 1 year in Shriram Financial Services and 10 years in Franklin Templeton.
Mr. Dheeraj Singh Head – Fixed Income	BE, PGDM (IIM Bangalore)	38	12 Years experience in managing funds in various capacities, of which 2 Years in Sundaram BNP Paribas AMC Ltd. His last assignment was with IL & FS Asset Management Co Ltd.
Mr. S.Krishnakumar Head –Research and Fund Manager	BE, PGDBA Financial & Portfolio Management	40	17 years of which 3 Years in Sundaram BNP Paribas AMC, 7 years in Anush Shares & Securities P Ltd, as senior research analyst, consultant and vice president. Prior to that worked as Product Development Engineer for a period of 6 years in Lucas TVS, an auto electrical major.
Mr. J .Venkatesan Fund Manager - Equity	M.Com., Grad CWA, CAIIB	44	Overall Experience of 24 Years of which 1 Year in Sundaram BNP Paribas AMC Ltd, 16 years in Canbank Mutual Fund in Various capacities and 7 Years in Canara Bank
Mrs. Sridvidhya Rajesh Fund Manager – Equity	MMS (BITS), PG Dip. in Equity Research and Chartered Financial Analyst, ICFAI, Hyderabad.	33	11 years of which 10 years in Sundaram BNP Paribas AMC, 1-year in a stock broking firm.
Mr. Rahul Pal Fund Manager- Fixed Income	B.Com, A.C.A.	30	5 Years of which 2 years in Sundaram BNP Paribas AMC and 3 years in IDBI

Mr. R. Vijayendiran Dealer	M.Com.	42	21 years, of which 10 years in Sundaram BNP Paribas AMC Ltd, 3 years in a Stock Broking company, 3 years in Stock Holding Corporation of India, 3 years in Citicorp and 2 years in Kotak Securities.
Mr.S.Vaidya Nathan Head – Product & Risk Management	B.Com, CWA, ACS (Inter), PGDBM (IIM B), PGD.MB & FS	41	15 Years, of which 13 years in The Hindu Business Line as Head of Research Team for Business Line Newspaper and 2 Years in Chemplast Sanmar as Executive (MIS). Joined Sundaram BNP Paribas AMC Ltd in May 2006 in the current position.
Mr. T.S. Sritharan Chief Financial Officer & Head – Operations	B.Com, A.C.A AIII	45	18 years of which 10 Years in Sundaram BNP Paribas AMC, 8 years in united India Insurance Company Limited.
Mr. P. Sundararajan Company Secretary & Compliance Officer	B.Com. B.L. FCS, CFE, CISM	50	26 years in Sundaram Finance Ltd in various capacities of which 10 years as Deputy Secretary and Compliance Officer. Joined Sundaram BNP Paribas AMC in June 2006 in the current position.

Information about the Fund Managers of the Scheme

Name	Mr. Anoop Bhaskar
Educational Qualifications	B.Com, M B A (Finance)
Experience	15 years, of which 1 year in Cross Borders Finance and projects, 1 year in Brisk Financial Services, 1 year in Shriram Financial Services and 10 years in Franklin Templeton.

Compliance Officer

Name	Mr P Sundararajan Bcom,, BL, FCS, CFE, CISM
Address, Telephone & Fax No.	Sundaram BNP Paribas Asset Management Company Ltd 46 Whites Road, Royapettah Chennai - 600 014 Phone : (044) 28583362, 28583367 Fax. : (044) 28583156

Manager – Customer Support

Mr S Balasubramaniam, the Head Customer Service & Transaction Processing may be contacted at the Corporate Office of the AMC at 46, Whites Road, Royapettah, Chennai 600 014. Tel.: 28583362 / 28583367.

3. AUDITORS TO THE SCHEME

M/s Sundaram & Srinivasan, Chartered Accountants, 23 C.P.Ramaswamy Road, Chennai 600018.

4. LEGAL COUNSEL

T K Bhaskar, Partner, HSB Associates, New No. 388, Llyods Road, Chennai.

5. REGISTRAR

Karvy Computershare Private Limited (Karvy), a Registrar and Transfer Agent registered with SEBI, vide Registration No. INR 00000221, has been appointed to act as the Registrar and Transfer Agent to this scheme. Karvy will accept and process investors' applications and advise the AMC of the details of subscription; handle communications with investors, resolve investor grievances, perform data-entry services and despatch Unit Certificates and/or Accounts Statements. Sundaram BNP Paribas Mutual Fund, the AMC and the Trustees, after taking appropriate due diligence measures, are satisfied that the Registrar can

provide the services required and have the adequate facilities to do so. The Letter of Agreement of the Registrar will be available for inspection by the investors. The Registrar will be paid a fee in accordance with the R&T Agreement. The Trustees reserve the right to appoint any other firm approved by SEBI as the Registrar of the scheme/Mutual Fund.

6. CUSTODIAN

Standard Chartered Bank (SCB) registered with SEBI, vide Registration No IN/CUS/006, has been appointed Custodian of the securities that are bought and sold under this Scheme. The responsibilities of the Custodian include:

- to keep in safe custody all the securities and instruments belonging to the Scheme;
 - to ensure smooth inflow/outflow of securities and instruments as and when necessary in the best interests of the investors;
 - to ensure that the benefits due on the holdings are received; and
 - to be responsible for the loss or damage to the securities due to negligence on its part or on the part of its approved agents.
- A Custodian agreement has been entered into by Standard Chartered Bank with the AMC and the Mutual Fund outlining the custodial fees, duties, functions and obligations of the Custodian. The Trustees reserve the right to appoint any other custodian approved by SEBI to act as the Custodian of the Scheme.

PART II

INVESTMENT OBJECTIVES, STRATEGY AND PROCEDURE

1. FUNDAMENTAL ATTRIBUTES OF THE SCHEME

a. Type of the Scheme

Sundaram BNP Paribas Select Small Cap is a close- ended Equity scheme with a maturity period of 5 years.

b. Investment Objective

The primary investment objective of the scheme is to generate consistent long-term returns by investing predominantly in equity/equity related instruments of companies that can be termed as smallcaps.

C. Asset Allocation & Risk Profile

Instrument	Asset Allocation	Risk Profile
Equity & Equity related securities of companies of small caps	65% - 100%	High
Other Equities	0% - 35%	High
Fixed Income and money market securities	0% - 35%	Low to Medium

Changes in the Asset Allocation Pattern

Subject to the SEBI Regulations, the asset allocation pattern indicated above may change from time to time, keeping in view market conditions, market opportunities, applicable regulations and political and economic factors. It must be clearly understood that the percentages stated above are only indicative and not absolute. These proportions can vary substantially depending upon the perception of the Investment Manager; the intention being at all times to seek to protect the interests of the Unit holders. Such changes in the investment pattern will be for a short term and for defensive considerations only

d. Terms of issue

- (1) Liquidity provisions such as listing, repurchase and redemptions are clearly defined in part III- units and offer of this document;
- (2) Aggregate fees and expenses are stated in Part IV of this offer document;
- (3) The scheme does not offer any guarantee or assured returns to the investors.

e. Changes in fundamental attributes

When any change in the fundamental attribute of this scheme or the trust or fees and expenses payable or any other change which would modify the scheme or affect the interest of the unit holders, is proposed to be carried out, no such change shall be carried out unless (i) written communication about the proposed change is sent out to each unit holder and an advertisement is given in one English daily newspaper having nation wide circulation as well as in a newspaper published in the language of the region where the head office of the mutual fund is situated; and (ii) the unit holders are given an option to exit at the prevailing NAV without any exit load. (Note: for the purpose of this clause, fundamental attributes mean the investment objective and the terms of issue of this scheme as detailed above.)

2. INVESTMENT STRATEGY AND RISK CONTROL

The primary investment objective of the scheme is to generate consistent long-term returns by investing predominantly in equity/equity related instruments of Small Cap companies. A Small Cap is defined as one whose market cap is equal to or lower than the 100th stock in the S&P CNX 500 Index (after sorting the securities in the descending order of market capitalization) and the stock may or may not be part of the S&P CNX 500 Index.

The fund will also pursue opportunities in public offerings popularly termed as IPOs.

15 years into liberalization, the economy has seen the emergence of many new, innovative businesses/companies, stocks of which offer new investment opportunities in the smallcap space. However investment in these stocks may call for longer holding periods from the investors' side, which is why the fund is being launched as close-ended product.

In selecting particular companies for investment, emphasis will be laid on the growth potential for the company as well as the sector to which the company belongs, rather than historical data.

The Fund manager from time to time depending upon the market conditions chooses stocks for investment that have got growth opportunities relatively better than others. However, value investing will also be done, if the equity markets and industrial activity necessitate such a decision.

The scheme offers 2 investment options – (i) Growth (ii) Dividend-payout

a) PROCEDURE FOR INVESTMENT DECISIONS

Equity

The fund manager and analysts research the prospects for the company in question and prepare a report. Information for analysis is obtained either or all of the following:

Published sources

Research reports of broking houses

Company visits

The Chief Investment Officer and the Managing Director (who comprise of the Internal Investment Committee (IIC) considers the research report, and approves the names of the companies for the fund manager. Once the approval of the IIC is obtained, the fund manager can deal in the particular equity within the policy guidelines, if any, set by the Investment Committee (IC), comprising the Managing Director, and two Directors of the AMC.

The IC lays down the guidelines for determining exposure levels, on the basis of recommendations made by the fund manager. The Fund Manager is solely responsible for the selection of stock, timing of entry and exit and its weightage.

Whenever a stock is bought or sold, the reasons for the same are

marked in the dealing system. The fund manager, make the stock purchases only from the list of stocks approved by the IIC. The investment group (comprising of Chief Investment Officer, Fund Managers, Analysts and Dealer) meets everyday to discuss the happenings in the market, results declared, the changes required in the strategy, where necessary. However, these opinions are not binding on the fund manager. The IIC also reviews periodically, the performance of the fund with the benchmark and its peers.

Every quarter or lesser intervals, the fund manager presents a review of the performance of the fund in a format approved by the IIC to the Investment Committee / Board of Directors of the AMC and Trustee Company.

DEBT INSTRUMENTS

- G-Secs are obtained from the secondary market, while corporate debt instruments may be obtained from both secondary and primary markets. In the case of G-Secs, instruments of different maturities can be easily traded under normal market conditions. The particular instrument will be chosen as a result of the duration and weight decisions.
- In the case of corporate debt, if the instruments are to be obtained through private placement route, an approval from the Investment Committee (IC) is required. The IC consists of the Managing Director, and two other Directors. The investment department (comprising of Analysts, Fund Manager and the Chief Investment Officer) submits a note to the IC for the purpose of this approval. In case of purchases from secondary market, if the issuer's any instrument is/was not in the portfolio, permission from an Internal Investment Committee (IIC) is sought. The Internal Investment Committee comprises of the Managing Director and the Chief Investment Officer.
- The reasons for purchase / sale is recorded in the 'deal ticket' by the fund manager. For all purchases, we depend upon the credit rating assigned by external agencies. Where this is not available, we depend on internal analysis. We believe that the important risks of investing in debt arise from interest rate forecasts and asset allocation decisions and not necessarily from individual company performance.

Miscellaneous

In the asset allocation decision, the spread between G-Secs and corporate bonds are considered to determine relative weights. As the credit spread increases, the weight of corporate debt is raised, and as the spread declines, the weight of government bonds is raised. Thus the allocation of weight between corporate bonds and G-Secs is also a function of relative attractiveness.

b) A BRIEF NOTE ON THE DEBT AND MONEY MARKET IN INDIA

The Indian debt market today rivals the most developed markets of the world in terms of its range, depth and complexity. With market related borrowing and lending in place, the Government and RBI has helped the market develop to one of Asia's most vibrant market. With issuances from Government, PSUs, Private Sector companies, Housing Finance Companies, Banks, Non Banking Finance Companies, etc., the range of instruments is getting wider by the day.

The number of active participants has also been rising, leading to reasonable depth in terms of volumes in the market. From an average of a few hundred crores three years back, the market today trades at an average of around Rs. 3,500 crore. Trading volumes are largely concentrated in the Government of India Securities, which contribute about 90% of the daily trades.

Other instruments available currently include Corporate Debentures, Bonds issued by Financial Institutions, Commercial Paper, Certificates of Deposits, and Securitised Debt. The Government securities have tenures from one to twenty years whereas the maturity periods of corporate debt vary from one year to ten years. Securities may be both listed and unlisted but this does not impact liquidity of the instruments. Most of the transactions in debt markets are conducted over telephone and are entered into on a principal-to-principal basis.

The money markets in India essentially consist of the call money market (i.e. market for overnight and term money between banks and institutions), repo transactions (Temporary sale with an agreement to buy back the securities at a future date at a specified price), commercial papers (CPs, short term unsecured promissory notes, generally issued by corporates), certificate of deposits (CDs, issued by banks) and Treasury Bills (issued by RBI). A predominantly institutional market, the key money market players are banks, financial institutions, insurance companies, mutual funds, primary dealers and corporates.

The various instruments and their yields and liquidity are stated in the following table.

Instruments	Current Yields (as of 15-12-06)	Liquidity
Central/State Government Securities	7.02%-7.81%	High
PSU Bonds/Corporate debentures	8.70%-9.50%	Medium- High
Securitised Debt	9.20%-10.00%	Low-Medium
Commercial Paper/Certificate of deposits	8.25%-8.70%	High
Call/Notice Money	6.80%	Very High
Repo	7.26%	Very High

The actual yields will, however, vary in line with general levels of interest rates and debt/money market conditions prevailing from time to time.

The Floating rate securities market is at a nascent stage in India. The coupon rate in floating rate securities is linked to an acceptable benchmark. Floating rate securities generally have a coupon rate, which is reset over a regular period depending on the benchmark chosen. The market widely uses the MIBOR benchmarks announced by Independent agencies like NSE and Reuters. When benchmark interest rate rises, the income generated on these floating rate securities also rise. When the benchmark interest rates fall, the income generated on these floating rate securities also fall.

Increasingly more companies are raising resource through floating rate securities. Most of such securities are in the form floating rate debentures at a spread over NSE MIBOR. The Government of India has also started issuing floating rate securities. Such floating rate issuances reduce the interest rate risk of the portfolio in which these securities are held.

The interest rate derivatives market is in a developing stage in the country. The Interest rate derivative market can be used to synthetically create a floating rate security. This is done through the Interest rate Swap Market. The Interest rate swap (IRS) is a derivative contract between two parties. One party pays the other party interest at a fixed rate and receives interest from other party at a floating rate. This is on a Notional Principal for a specified period.

c) INSTRUMENTS IN WHICH INVESTMENT CAN BE MADE

In order to achieve investment objectives, the corpus of the scheme can be invested in any (but not exclusively) of the following securities:

- Securities created and issued by the Central and State Governments and/or repos/reverse repos in such Government Securities as may be permitted by RBI (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills).

- Debt obligation of domestic Government Agencies and statutory bodies, which may or may not carry a Central/State Government Guarantee.
- Obligations of banks (both public and private sector) and development financial institutions.
- Money market instruments permitted by SEBI
- Certificate of Deposits (CDs)
- Commercial Paper (CPs)
- Bonds / Debentures issued by Public Sector Undertakings
- Bonds / Debentures issued by Private Sector Corporates
- Bills of Exchange/Promissory notes
- Securitised Debt
- The non-convertible part of convertible securities
- Any other domestic fixed income securities
- Pass through, Pay through or other Participation certificates representing interest in a pool of assets including receivables.
- Equities and equity related instruments that include shares, warrants, fully convertible debentures and preference shares etc.
- Units of Mutual Funds.
- Any other instruments as may be permitted by SEBI from time to time.

The securities mentioned above and such other securities the scheme is permitted to invest in, could be listed, unlisted, privately placed, secured, unsecured, rated or unrated and of any maturity bearing fixed rate or floating coupon rate. The securities may be acquired through Initial Public Offerings (IPOs), secondary market operations, private placement, rights offers or negotiated deals.

The scheme invest in securities that are rated by CRISIL or ICRA or other independent credit rating agencies. The scheme may also enter into repurchase and reverse repurchases obligations in all securities held by it as per the guidelines and regulations applicable to such transactions.

Risk Control

Concentration Risk

In order to diversify individual company risk, the fund will on an average and under normal circumstances invest across companies across various sectors. The quantum of exposure is decided on the basis of relative earnings, growth, valuations and potential valuations. As the fund intends to hold less number of stocks than a diversified growth fund, the NAV volatility (risk) will be higher than normal.

Liquidity Risk

Risk will be monitored in terms of the number of days it takes to liquidate every stock in the portfolio assuming a share of the average volume traded over the previous one year. Efforts would be made to keep the average liquidation period under prudent limits prescribed internally.

3. Fund management

The AMC has qualified professionals for its investment research and dealing activities.

4. Portfolio Turnover

Portfolio turnover is defined as lesser of purchases and sales as a percentage of the average corpus of the Scheme during a specified period of time. Portfolio turnover in the scheme will be a function of market opportunities. Consequently it is difficult to estimate with any reasonable measure of accuracy, the likely turnover in the portfolio. The AMC will endeavour to optimise portfolio turnover to optimise the

return keeping in mind the cost associated with it. Arbitrage opportunities that exist for scrips / securities change in AMC's view on a scrip etc. However, the AMC will take advantage of the opportunities that present themselves from time to time because of the inefficiencies in the securities markets.

5. Benchmark index

BSE Small cap Index will be the benchmark for the purpose of measuring the performance of the fund, as per SEBI regulation.

6. INVESTMENT LIMITATIONS

1. All the Scheme's assets will be invested in transferable securities, whether in money markets or in capital markets, including any privately placed debentures or securitised debt or bank deposits .
2. The Scheme shall not invest more than 10% of its NAV in the equity shares or equity related instruments of any company. Further, the Scheme shall not invest more than 5% of its NAV in the unlisted equity shares or equity related investments.
3. The Mutual Fund under all its schemes, including this Scheme, taken together will not own more than 10% of any company's paid up capital carrying voting rights.
4. Transfer of investments from one Scheme to another Scheme, including this Scheme, shall be allowed only if such transfers are made at the prevailing market price for quoted securities on a spot basis, and the securities so transferred shall be in conformity with the investment objective of the Scheme to which such transfer has been made.
5. The Scheme may invest in another scheme under the same asset management company or any other mutual fund without charging any fees, provided that aggregate inter scheme investments made by all schemes under the same management or in schemes under the management of any other asset management company shall not exceed 5% of the net asset value of the Mutual Fund.
6. The Scheme shall buy and sell securities on the basis of deliveries, and shall in all cases of purchases, take delivery of relative securities and in all cases of sale, deliver the securities and shall in no case put itself in a position whereby it has to make short sale or carry forward transaction or engage in badla finance. Provided that mutual funds shall enter into derivatives transactions in a recognised stock exchange for the purpose of hedging and portfolio balancing, in accordance with the guidelines issued by the SEBI.
7. The Scheme shall, get the securities purchased or transferred in the name of the mutual fund on account of the concerned scheme, wherever investments are intended to be of long-term nature.
8. Pending deployment of funds of the Scheme in securities in terms of the investment objectives of the Scheme, the Mutual Fund can invest the funds of the Scheme in short-term deposits of scheduled commercial banks.
9. The Scheme shall not make any investment in:
 - a) any unlisted security of an associate or group company of the sponsor; or
 - b) any security issued by way of private placement by an associate or group company of the sponsor; or
 - c) the listed securities of group companies of the sponsor which is in excess of 25% of the net assets.
10. The Scheme shall not invest in any fund of funds scheme.

To the extent the above investment limitations are amended by the SEBI Regulations, the Trustees/AMC may alter these limitations from time to time.

7. VALUATION OF ASSETS AND NET ASSET VALUE

The assets of the Scheme will be valued as per the following guidelines

in conformity with Regulation 47 read with the Eighth Schedule of SEBI Regulations.

(1) Traded Securities

- Traded securities will be valued at the last quoted closing price on the National Stock Exchange (NSE).
- However, if the securities are not traded on the NSE, the securities will be valued on the price quoted at the Bombay Stock Exchange of India Limited (BSE).
- When on a particular valuation day security has not been traded either on NSE or BSE, then the value at which it is traded on another stock exchange will be used.
- However, it may be left to the AMC to select/change the appropriate stock exchange and the AMC shall record the reasons in writing for the selection/change.
- When a security is not traded on any stock exchange on a particular valuation day, the value at which it was traded on the NSE/ BSE or any other stock exchange, as the case may be, on the earliest previous day will be used provided such date is not more than 30 days prior to the valuation date.

(2) Thinly traded / Non-Traded Securities

- (a) When trading in an equity / equity related security in a month is less than Rs.5 lacs and the total volume is less than 50,000 shares, it shall be treated as a thinly traded security and valued accordingly.
- (b) A debt security (other than Govt. Securities) shall be considered as a thinly traded security if on the valuation date, there are no individual trades in that security in marketable lots (currently Rs. 5 crores) on the principal stock exchange or any other stock exchange.
- (c) When a security (other than Government securities) is not traded on any stock exchange for a period of thirty days prior to the valuation date the scrip must be treated as a non-traded security.
- (d) Non-traded/ thinly traded securities shall be valued "in-good faith" by the AMC on the basis of valuation principles laid down by SEBI vide Gazette 489 dated 26/07/2000 as amended from time to time.
- (e) Valuation of unlisted Equity shares shall be done as per circular no. MFD/CIR/03/526/2002 dated 9/05/2002.

(3) Illiquid Securities

Aggregate value of 'illiquid securities' of scheme, which are defined as non-traded, thinly traded and unlisted equity shares, shall not exceed 15% of the total assets of the scheme and any illiquid securities held above 15% of the total assets shall be assigned zero value.

(4) General

- (a) All expenses and income accrued up to the valuation date shall be considered for computation of net asset value. For this purpose, major expenses and income will be accrued on a day to day basis while minor expenses and income will be accrued periodically, provided the non-accrual does not affect the NAV calculation by more than 1%.
- (b) Any changes in securities and in the number of units be recorded in the books not later than the first valuation date following the date of transaction. If this is not possible given the frequency of the NAV disclosure the recording may be delayed up to a period of seven days following the date of the transaction, provided that as a result of the non-recording, the Net Asset Value calculations shall not be affected by more than 1%.

8. CALCULATION OF NET ASSET VALUE

The Net Asset Value (NAV) is the most widely accepted yardstick for measuring the performance of any scheme of a mutual fund. NAV calculations shall be based upon the following formula:

NAV=

$\frac{\text{Market value of the Scheme's investments + other current assets + Deposits + Unamortised initial issue expenses - all Liabilities except Unit Capital, Reserve and Profit and Loss Account}}{\text{Number of Sundaram BNP Paribas Select Small Cap Units outstanding at the end of the day}}$	
Repurchase Price	Applicable NAV per Unit on the Valuation Date (1-Exit Load %) – proportionate share of unamortised initial issue expenses

9. NAV INFORMATION

The Scheme's NAV will be calculated at Chennai during working hours on all working days and published weekly on Wednesday in terms of SEBI Regulations.

The valuation of Assets, computation and publication of NAV and publication of the Repurchase and Sale prices shall be in terms of SEBI Regulations as amended from time to time.

The Board may suspend determination or publication of the NAV of the units during the existence of a state of emergency, or a breakdown in communications or in the event of suspension of trading on the Stock exchanges and resultantly the NAV cannot be calculated.

10. ACCOUNTING POLICIES AND STANDARDS

In accordance with SEBI Regulation 50 read with the Ninth Schedule to the SEBI Regulations, the Scheme shall follow the following accounting policies:

- (i) AMC shall keep and maintain proper books of accounts, records and documents, for the Scheme so as to explain its transactions and to disclose at any point of time the financial position of the Scheme and in particular give a true and fair view of the state of affairs of the Scheme;
- (ii) For the purpose of the financial statements, the Mutual Fund shall mark all investments to market and carry investments in the balance sheet at market value. However, since the unrealised gain arising out of the appreciation on investments cannot be distributed, provisions shall be made for exclusion of this item when arriving at distributable income;
- (iii) Dividend income earned by the Scheme shall be recognised, not on the date the dividend is declared, but on the date the share is quoted on an ex-dividend basis. For investments which are not quoted on a stock exchange, dividend income will be recognised on the date of declaration;
- (iv) In respect of all interest-bearing investments, income shall be accrued on a day-to-day basis as it is earned. Therefore when such investments are purchased, interest paid for the period from the last interest due date up to the date of purchase shall not be treated as a cost of purchase but shall be debited to the Interest Recoverable Account. Similarly, interest received at the time of sale for the period from the last interest due date up to the date of sale shall not be treated as an addition to sale value but shall be credited to the Interest Recoverable Account;
- (v) In determining the holding cost of investments and the gains or loss on sale of investments, the 'average cost' method shall be followed;
- (vi) Transactions for purchase or sale of investments shall be recognised as of the trade date and not as of the settlement date, so that the effect of all investments traded during the financial year are recorded and reflected in the financial statements for the year. Where investment transactions take place outside the stock

exchange, for example, acquisitions through private placement or purchases or sales through private treaty, the transaction will be recorded, in the event of a purchase, as of the date on which the Scheme obtains an enforceable obligation to pay the price or, in the event of sale, when the Scheme obtains an enforceable right to collect the proceeds of sale or an enforceable obligation to deliver the instruments sold;

- (vii) Bonus shares to which the Scheme becomes entitled shall be recognised only when the original shares on which the bonus entitlement accrues are traded on the stock exchange on an ex-bonus basis. Similarly, rights entitlement would be recognised only when the original shares on which the rights entitlement accrues are traded on the stock exchange on ex-rights basis;
- (viii) An asset shall be classified as non-performing, if the interest and/or principal amount have not been received or remained outstanding for one quarter from the day such income/installment has fallen due. Provisioning for such non-performing assets will be made as per circular issued by SEBI in this regard.
- (ix) When units are sold, the difference between the sale price and the face value of the unit, if positive, shall be credited to reserves and if negative shall be debited to reserves, the face value being credited to Capital Account. Similarly, when units are repurchased, the difference between the purchase price and face value of the unit, if positive, shall be debited to reserves and, if negative, should be credited to reserves, the face value being debited to the capital account.
- (x) When units are sold an appropriate part of the sale proceeds shall be credited to an Equalisation Account and when units are repurchased an appropriate amount would be debited to Equalisation Account. The net balance of this account shall be credited or debited to Reserve Account. The balance on the Equalisation Account debited or credited to the Revenue Account shall not decrease or increase the net income of the fund but is only an adjustment to the distributable surplus. It shall therefore, be reflected in the Revenue Account only after the net income of the fund is determined.
- (xi) The cost of investments acquired or purchased would include brokerage, stamp charges and any charge customarily included in the broker's bought note. In respect of privately placed debt instruments any front end discount shall be reduced from the cost of the investment;
- (xii) Underwriting commission shall be recognised as revenue only when there is no devolvement on the Scheme. Where there is devolvement on the Scheme, the full underwriting commission received and not merely the portion applicable to the devolvement shall be reduced from the cost of investment.
- (xiii) Being an open-ended Scheme, the initial issue expenses, incurred if any, would be amortized over a period of five years.

The accounting policies and standards as outlined above are as per the prevailing SEBI Regulations and are subject to such changes may be made in the Regulations.

11. ANNUAL FINANCIAL REPORTS AND HALF-YEARLY DISCLOSURES

The full text of the Annual Report will be available for inspection at the Corporate Office of the AMC and a copy thereof shall be made

available to the unitholders on payment of a nominal fee. The abridged scheme-wise annual report shall be mailed to all unitholders not later than six months from the date of closure of the relevant accounting year.

The Mutual Fund shall before the expiry of one month from the close of each half-year, i.e., on March 31 and September 30, publish the unaudited financial results, in one English daily newspaper circulating in the whole of India and in a Tamil daily newspaper published from Chennai.

The fund shall publish, before expiry of one month from the close of each half-year i.e. on March 31 and September 30, its scheme portfolio in the format prescribed by SEBI in one national English daily newspaper and in a Tamil daily news paper published from Chennai or send a copy to all the unitholders.

PART III

UNITS AND OFFER

a) Offer of units

During the New Fund Offer Period, units are offered at Rs. 10/- each and the entire amount is payable on application. The minimum targeted amount of subscription during the NFO period is Rs. 1.00 cr. And the maximum limit is fixed at Rs. 300 cr. The AMC has a right to retain 10% of the maximum limit (i.e Rs. 30 cr.), over and above the maximum limit of Rs. 300 cr., in case of any oversubscription. The aggregate mobilization including the oversubscription shall not exceed Rs. 330 cr.

In the event of scheme mobilizing a sum of Rs.300 cr., the AMC shall make an announcement in two newspapers intimating its intention to close the offer.

Allotment is assured to eligible applicants till the subscription reaches the maximum limit, provided the applications are complete in all respects and in order.

In terms of SEBI Regulations applicants applying up to 5000 units shall be given full allotment, provided the applications are complete in all respects and in order and subject to the aggregate mobilization Rs. 330 cr. indicated in the Para 1

If the moneys received from the applicants for units are in excess of Rs.330 cr. The AMC shall refund such excess money to the applicants.

b) Minimum investment

The minimum investment is Rs.5,000/- and in multiples of Rs.500 thereafter.

c) Offer Period

New Fund Offer opens on: 10/01/2007

New Fund Offer closes on: 24/01/2007

In the event of scheme mobilizing a sum of Rs.300 cr., the AMC shall make an announcement in two newspapers intimating its intention to close the offer.

d) Who can Invest

The following persons may apply for subscribing to the units of the Scheme (subject, wherever appropriate, to subscription to units of mutual funds being permitted under relevant statutory regulations and their respective constitutions):

1. Resident adult individuals –
 - (a) Singly or jointly (not exceeding three);
 - (b) Minors through their parents/ guardians;
2. Non-resident Indians (NRIs);
3. Hindu Undivided Family (HUF), in the name of the Karta;
4. Partnership firms, in the name(s) of the partner(s);
5. An association of persons or a body of individuals whether incorporated or not;
6. Companies/Bodies Corporate/Public Sector Undertakings registered in India;

7. Banks and Financial Institutions;
8. Charitable or Religious Trusts/Wakf Boards or endowments and Registered societies (including registered co-operative societies) and private trusts, authorised to invest in units;
9. Army/Air force/Navy/Para-military funds and other eligible institutions;
10. Scientific and/or Industrial Research Organizations authorised to invest in units;
11. Other associations, institutions, Bodies etc., authorised to invest in the units.

It is expressly understood that the investor has the necessary legal authority and complied with applicable procedures for subscribing/redeeming the units. The AMC/Trustee will not be responsible in case any transaction made by an investor is ultra vires the relevant constitution/internal procedures.

NOTES:

1. *Non-Resident Indians and Persons of Indian Origin residing abroad (NRIs) and Foreign Institutional Investors (FIIs) have been granted a general permission by the Reserve Bank of India [Schedule 5 of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, for investing in/redeeming units of mutual funds subject to conditions set out in the aforesaid regulations.*
2. *In the case of an application under a power of attorney or by a limited company or other corporate body or an eligible institution or a registered society or a trust fund, the original power of attorney or a certified true copy duly notarised or the relevant resolution or authority to make the application, as the case may be, or a duly notarised copy thereof, along with a certified copy of the memorandum and articles of association and/or bye-laws and/or trust deed and/or partnership deed and certificate of registration should be submitted. The officials should sign the application under their official designation. A list of specimen signatures of the authorised officials, duly certified/attested should also be attached to the application form. In case of a trust/fund it shall submit a resolution from the trustee(s) authorising such purchases*
3. *Unitholder information (mandatory)*
 - *Permanent Account Number (PAN)*
If the amount of investment is Rs. 50000/- or more, then please furnish your PAN details and enclose a photocopy of PAN Card or PAN allotment letter of all applicants. In case you don't have a PAN then please furnish your declaration in form no 60/61. NRIs and persons of Indian origin are also required to obtain PAN No. and submit the same for verification along with the application.
We advise all applicants to provide this number irrespective of the application amount.
 - *Mutual Fund Identification Number MIN (MIN)*
Subscription to the scheme for amounts equal to and greater than Rs. 50000/- shall be made only after obtaining the MIN at the respective designated Points of acceptance/Investor services centres. Unitholders / investors are required to quote the MIN on the application forms. Application forms without quoting the MIN are liable to be rejected by the AMC/ Registrars.

e. How to apply during the New Fund Offer

- Application forms are available at all offices of Sundaram BNP Paribas Asset Management Company Limited, Sundaram Finance Limited, Brokers, Agents, Registrars and their specified investor service centres.
- Application forms complete in all respects, accompanied by the amount of investment by means of a cheque/demand draft are to be submitted at the official points of acceptance of the AMC/Registrar before closure of the Scheme. A complete list of official points of acceptance is enclosed elsewhere.

- As per the directives issued by SEBI, it is mandatory for applicants to mention their bank account numbers in their applications for purchase of units.
- Kindly retain the acknowledgement slip initialled/stamped by the collecting authority.

f. Subscription/ Redemptions to the Units after the NFO period

Being a close-ended scheme, the units will not be offered for sale on an ongoing basis. However unitholders may redeem their units once in a fortnight in a month, subject to a maximum of 10% of their holdings in a year. In other words, an exit option will be provided to them on every second & fourth Friday in a month and the payment shall be made within 10 working days from the date of receipt of application. The unitholders may redeem their units not exceeding 10% of their holdings at the applicable NAV, subject to payment exit load and proportionate unamortised initial issue expenses.

The repurchase price will be calculated on the basis of the load structure applying the following formula:

Repurchase Price	Applicable NAV per Unit on the Valuation Date (1-Exit Load %) – proportionate share of unamortised initial issue expenses
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To illustrate, if the applicable NAV is Rs 11.00, exit load is 0.50%, and if proportionate share of unamortised initial issue expenses is Rs. 0.50 the redemption will be computed as follows:

$$= \text{Rs } 11 * (1 - 0.50\%) - 0.50$$

$$= \text{Rs. } 10.945 - 0.50 = 10.445$$

Units in the Scheme will be allotted after approval by the Board of Trustees. Allotment is assured to eligible applicants till the subscription reaches the maximum limit, provided the applications are complete in all respects and in order and reaches well before the closing date. The AMC/Mutual Fund reserves its right to accept or to reject in whole or in part any application not in accordance with the terms of the Scheme, without assigning any reason.

A fresh account statement will be despatched reflecting the updated holding of the unitholder after every transaction. Under normal circumstances, the account statement will be despatched within ten working days from the date of the transaction.

g. Mode of Payment

The payment may be made by any of the following modes:

- by a cheque payable locally and drawn on any bank which is a member of the bankers clearing house located at the place where the application form is submitted; or
- by demand draft payable at the place where the application form is submitted, from applicants residing at places where there is no collection centres for this Scheme. However, demand draft charges will be subject to any limits specified by the AMC.
- In the case of NRIs and Persons of Indian Origin residing abroad payment may be made by Indian Rupee Drafts payable at Chennai, purchased abroad or by cheque/DD payable at Chennai, drawn on a Non-resident (External) account, FCNR account maintained with the banks authorised to deal in foreign exchange in India.

All cheques/demand drafts should be drawn in favour of 'Sundaram BNP Paribas Select Small Cap' and crossed 'Account Payee only'. Please note that cash, stock invest, outstation cheques/drafts, money orders and postal orders will not be accepted.

h. Account Statement:

An account statement will be sent by ordinary post to each unitholder, stating the number of units allotted, not later than 30 days from the close of the new fund offer period. Each unitholder will be sent a non-transferable account statement, which is a conclusive proof of investment in the schemes of the Mutual Fund. On an ongoing basis, the AMC will endeavour to forward the Account statement within ten working days after every transaction of repurchase of units and also in the case of other services. Investors are urged to preserve the Account Statement carefully as it is a valuable document.

i. Refunds

In accordance with the Regulations, if the Scheme fails to collect the minimum subscription amount of Rs.1 crore the Fund shall be liable to refund the money to the applicants. If the Scheme collects more than the maximum limit, the fund shall be liable to refund such excess

amount. Further, refund of application money to applicants whose applications are invalid for any reason whatsoever, will commence immediately after the allotment is completed. Refunds will be completed within six weeks of the close of the Initial Offer Period. If the Scheme refunds the amount after six weeks, interest at 15% per annum shall be paid by the AMC. Refund orders will be marked 'Account Payee Only' and drawn in the name of the sole/first applicant. All refund cheques will be sent by Certificate of Post, local and international couriers. It is mandatory for applicants to provide their bank name, branch name and account number in their application for purchase/redemption of units.

The investor is aware that the mutual fund needs to use intermediaries such as post office, local and international couriers, banks and other intermediaries for correspondence with the investor and for making payments to the investor by cheques, drafts, warrants, through ECS etc. The investor expressly agrees and authorizes the mutual fund to correspond with the investor or make payments to the investor through intermediaries through intermediaries including but not limited to post office, local and international couriers and banks. The investor clearly understands the mutual fund uses such intermediaries for the convenience of the investor and such intermediaries are agents of the investor and not the mutual fund. The mutual fund is not responsible for delayed receipt or non-receipt of any correspondence or payment through such intermediaries.

j. Allotment

Allotment is assured to eligible applicants till the subscription reaches the maximum limit, provided the applications are complete in all respects and in order. In terms of SEBI Regulations applicants applying up to 5000 units shall be given full allotment, provided the applications are complete in all respects and in order and subject to the aggregate mobilization Rs. 330 cr. If the moneys received from the applicants for units are in excess of Rs. 330 cr. The AMC shall refund such excess money to the applicants. The AMC/Mutual Fund reserves its right to accept or to reject in whole or in part any application not in accordance with the terms of the Scheme, without assigning any reason.

k. Repurchase of Units

Being a close-ended scheme, the units will not be offered for sale on an ongoing basis. However unitholders may redeem their units once in a fortnight in a month, subject to a maximum of 10% of their holdings in a year. In other words, an exit option will be provided to them on every second & fourth Friday in a month and the payment shall be made within 10 working days from the date of receipt of application. The unitholders may redeem their units not exceeding 10% of their holdings at the applicable NAV, subject to payment exit load and proportionate unamortised initial issue expenses.

The units can be offered to the Mutual Fund for repurchase on at NAV-related prices. Repurchase price will be at the Net Asset Value per unit on the valuation date and reduced by exit load if any and further by proportionate shares of unamortised initial issue expenses.

Unit holders shall have the option to exercise repurchase for a minimum of Rs.1000/-and above subject to a maximum of 10% of the holding in a year. The repurchase request can be made by specifying the rupee amount or by specifying the number of units to be redeemed. If a repurchase request is for both a specified rupee amount and a specified number of Units, specified number of units will be considered the definitive request. In order to protect the interests of investors from fraudulent encashment of redemption cheques, the current SEBI guidelines provide that redemption cheques are to specify the name of the investor and the bank name and account number where the cheque amount is to be credited. Hence investors are advised in their interest to provide the name of the bank, branch address, account type, account number for remittance of repurchase amount. Sundaram BNP Paribas Mutual Fund/Sundaram BNP Paribas Asset Management Company Limited will not be responsible for any loss arising out of fraudulent encashment of cheques and delay/loss in transit. A fresh account statement will be despatched reflecting the updated holding of the unitholder after every transaction.

Investors may note that the AMC/Trustees may close a unitholder's account if at the time of any part of repurchase of Units by the unitholder, the value of units (represented by units in the investors account if such repurchase of units were to take place, valued at the applicable repurchase price), falls below Rs.1,000/-.

As per SEBI Regulations, the repurchase warrant shall be mailed within ten working days from the date of receipt of the repurchase request at the office of the Registrar/ AMC. However, under normal circumstances, the AMC will endeavour to despatch the repurchase proceeds within ten working days from the date of receipt of application.

I. Repurchase Price

Repurchase of units will be made only on a second and fourth Friday in a month.

The unitholders may redeem their units not exceeding 10% of their holdings in a year at the applicable NAV, subject to payment exit load and unamortised initial issue expenses.

Redemptions and Switch Out	Applicable NAV
Receipt of valid applications on Second Friday in a fortnight upto 3 PM.	The Closing NAV of the day on which the application is received
Receipt of valid applications on second Friday in a fortnight after 3 PM	The Closing NAV of the 4th Friday in a month

Note: The cut off timings shall also be applicable to Investments made through "sweep" mode.

If the second and fourth Friday falls on a holiday, subsequent working day's NAV shall be applied.

The repurchase price will be calculated on the basis of the load structure applying the following formula:

Repurchase Price = Applicable NAV per Unit (1- Exit Load if any) – proportionate share of unamortised initial issue expenses recovered.

To illustrate, if the applicable NAV is Rs 11.00, exit load is 0.50%, and if proportionate share of unamortised initial issue expenses is Rs. 0.50 the redemption will be computed as follows:

$$= \text{Rs } 11 * (1 - 0.50\%) - 0.50$$

$$= \text{Rs. } 10.945 - 0.50 = 10.445$$

m. Mode of Payment of Redemption Proceeds and Dividends

The AMC proposes to use a variety of methods to pay dividends and effect redemptions to the investors. In choosing the payment method for any specific investor, the AMC will endeavour to see which method would best suit the investor, taking into consideration the banking facilities available, the level of technology employed by different banks and the investor's preference.

The AMC will constantly review the options in use and new options that may emerge in the context of making payment of dividends and effecting redemptions and alter the payment mechanisms to best serve the investors. In this endeavour, at all points of time, the objective of the AMC will be to ensure speedy and safe payment of the dividends due to the investors, in a manner most convenient and cost effective for the investors.

For the present, the AMC proposes to make dividend payments and effect redemption by the following methods.

- Direct Credits

Some banks have adopted a level of technology that enables them to credit the proceeds to the accounts of the account holders electronically. For investors who have accounts with such banks, the AMC will, in consultation with the banks and under advice to unitholders, directly credit the accounts of the investors based on the account details provided by them to the AMC. Currently, this would probably be the quickest and safest method for an investor to receive payments due to him. The following banks have confirmed that they can extend this facility to the investors in the Scheme:

- 1) ABN AMRO Bank
- 2) ICICI Bank Limited (select branches)
- 3) HDFC Bank Limited
- 4) Standard Chartered Bank
- 5) IDBI Bank
- 6) Citi Bank
- 7) Yes Bank

An investor having an account with any of the above banks may provide the complete and correct account details to the AMC for direct credit of dividends and redemptions.

The AMC may exclude any bank participating in this arrangement based on its experience in dealing with the bank or add to the list a bank that may be able to provide this facility to the satisfaction of the AMC.

The investor has a choice of changing his option about the method of receiving the dividends and redemptions if he/she so desires. For this purpose, the investor has to communicate the change in details to the AMC or to its Customer Service Centres.

- Warrants/Payable at par cheques

The AMC will make arrangements with banks to issue dividend warrants and payable at par redemption cheques at designated centres as notified in the Application Form. The AMC will endeavour to increase the number of locations where such warrants are payable at par. However, if an investor resides at a centre outside the locations, then the instrument will be issued to be payable at par at the centre nearest to where the investor resides. The cost of clearing these instruments from such nearest centre will be borne by the investor.

As prescribed by SEBI and in order to protect the interests of the investors, it is mandatory for the investors to provide their full bank details for the AMC to make dividend payment.

I. Fractional Units

Since a request for investment or repurchase of units, is generally made in Rupee amount and not in terms of number of units, investors may be left with Fractional units in their account. Fractional units will be computed and accounted for up to three decimal places. However, fractional units will in no way affect the investors' ability to redeem the units, either in part or in full standing to the unitholders' credit.

m. Usage of Load

All loads (including Contingent Deferred Sales Charges (CDSC)) for the Scheme shall be maintained in a separate account and may be utilised towards the selling and distribution expenses. Any surplus in this account may be credited to the Scheme, whenever felt appropriate by the AMC.

n. Listing

As the Scheme stands ready to buy back the units on second Friday of every fortnight, it is not proposed to list the units on any stock exchange.

o. Transfer

The units of the Scheme are freely transferable by act of parties or by operation of law. For effecting a transfer the applicable transfer form(s) shall be duly stamped and signed by all the unitholders and submitted along with the relevant unit certificate(s). The AMC shall on production of instrument of transfer together with the relevant unit certificates, register the transfer and return the unit certificates to the transferee within thirty days (30 days) from the date of lodgement of the transfer request at the office of the Registrar.

p. Switching

- (i) Switching from any other open-ended schemes of the Sundaram BNP Paribas Mutual Fund

Investors, who hold units in any other open ended funds of the Sundaram BNP Paribas Mutual Fund, may switch all or part of their holdings to any of the plan(s) available for subscription under this offer document only during the New Fund Offer period. The Scheme being closed ended no switch in allowed during the ongoing period.

- (ii) Switch to any other eligible schemes of the Sundaram BNP Paribas Mutual Fund

Investors who holds units in any of the option (s) of Sundaram BNP Paribas Select Small Cap may switch some part of their holdings which is eligible for redemption under the terms of the offer to any of the other option(s) (to be launched hereafter) during the New Fund Offer period of respective plan(s) of the said scheme or to any other open-ended schemes (where-in switch in is permitted) of Sundaram BNP Paribas Mutual Fund only during Specified period, subject to any exit load and unamortized initial issue expenses.

NOTE: The switch will be effected by redeeming units from the scheme in which the units are held and investing the net proceeds in the other scheme(s)/ plan(s), subject to the minimum balance applicable for the respective scheme(s)/ plan(s).

q. Suspension of Sale/Repurchase of units

The sale/repurchase of the units of the Scheme may be suspended temporarily or indefinitely in any of the following circumstances:

- During the period of Book closure, if any
- Stock markets stop functioning or trading is restricted
- Periods of extreme volatility in the stock markets, which in the opinion of the Investment Manager is prejudicial to the interests of the unitholders.
- A complete breakdown or dislocation of business in the major financial markets
- Natural calamities
- Declaration of war or occurrence of insurrection, civic commotion or any other serious or sustained financial, political or industrial emergency or disturbance
- SEBI, by order, so directs.

In the above circumstances, the time limits indicated for processing requests for purchase and repurchase of units will not be applicable.

Suspension or restriction of repurchase/redemption facility shall be made only after approval by the Board of Directors and the Trustees. The approval from the AMC Board and the Trustees giving details of circumstances justifying the suspension shall be conveyed to SEBI in advance.

r. Nomination Facility

In terms of Regulation 29A of the SEBI Regulations, the AMC will provide an option to investors, being individuals, to nominate a person in whom the units will vest upon the death of the investor. Joint holders may together nominate a person as a nominee. It must be understood that by providing this facility, the AMC is not declaring the nominee as the person entitled to the units upon the death of unitholder nor does the AMC purport to confer or grant any rights other than those available under law to the nominee. The nominee receives the units (subject to the rights of any subsisting charge holder) only as an agent/trustee of the person who is entitled to them under law.

Where a nominee is a minor, the name and address of the guardian of the minor nominee shall be provided by the unitholder. Only an individual provided he/ she is otherwise not disqualified to own the units could be a nominee. Transmission of units (subject to the rights of any charge holder) to the nominee will constitute full discharge of the obligations of the AMC/trustee, towards the estate/legal heirs/successors of the deceased unitholder,

The nomination facility is subject to applicable laws. Investors are requested to comply with the prescribed procedures to avail themselves of this facility, the details of which are available with the R&T agent.

s. GENERAL

The AMC/Trustees reserve the right to extend or Advance the closing date of the NFO after giving notice.

All allotments of units will be subject to realisation of the payment instrument and therefore any payment towards redemption/dividends in respect of such units will be made only after such realisation.

An application to purchase the units is not binding on the scheme unless it is confirmed in writing by the AMC and the payment for the purchase has been realised by the Scheme. An entry made by the AMC as to the date/time of receipt of an application for purchase/redemption will be conclusive and binding on the investor.

All allotments of units and payments to non-residents will be subject to the applicable regulations prescribed in this regard by RBI and/or other authorities. Non-residents are requested to submit the necessary documents for undertaking the various transactions of purchase / redemptions, failing which payment of redemptions / dividends will not be possible.

After the completion of a transaction (allotment, redemption, switch etc.) an account statement will be sent, reflecting the same. At the instance of the investor a certificate (non-transferable) in lieu of the statement may be issued.

The AMC will not be responsible for loss due to any delay in receipt of the statement/ certificate.

Unitholders are requested to check the account statement and report any discrepancy noticed by them to the R & T agent or customer service department of the AMC immediately. In case of any non-intimation within 15 days it will be taken that there are no discrepancies.

Despatch of redemption/dividend instrument or other communication will be made by ordinary mail or registered post/courier as required under the regulations at the risk of the investor.

The Mutual Fund/AMC will not be responsible for any fraudulent conversion of any payment instrument/instruction. It is mandatory for investors to furnish details of their bank accounts the normal processing time will not apply in cases where such details are not provided.

The investor/ Unitholder is aware that the mutual fund needs to use intermediaries such as post office, local and international couriers, banks and other intermediaries for correspondence with the investor and for making payments to the investor by cheques, drafts, warrants, through ECS etc. The investor expressly agrees and authorizes the mutual fund to correspond with the investor or make payments to the investor through intermediaries through intermediaries including but not limited to post office, local and international couriers and banks. The investor clearly understands the mutual fund uses such intermediaries for the convenience of the investor and such intermediaries are agents of the investor and not the mutual fund. The mutual fund is not responsible for delayed receipt or non-receipt of any correspondence or payment through such intermediaries.

All disputes arising out of or in relation to the issue made under the Scheme will be subject to the exclusive jurisdiction of courts in India.

The fund will have a first and paramount lien/set-off with respect to every unit/ dividend for any amount owed by the unit holder to it.

The AMC/Mutual Fund will not be responsible for any delay/non-receipt of dividend/ redemption proceeds where it is attributable to any incorrect/incomplete/ inconsistent information provided by the investor. Where any request from the investor is ambiguous or contrary to the terms of the Scheme or does not conform to the procedures prescribed by the Scheme, the AMC/Trustees reserves their right to reject it.

The Scheme is not obliged to re-present any dishonoured cheque or any other payment instrument, or inform the investor of the dishonour. In such cases, the facility of purchasing units by issue of cheque may not be permitted to the investor concerned and the expenses incurred

by the Scheme may be payable by the investor. Any request for withdrawal of an application made during the new fund offer period will be treated as a redemption request and processed at the redemption price of the Scheme on the first day after the Scheme opens for sale and redemption on an on-going basis.

All information contained in this offer document is based on the laws currently in force and are subject to any change thereto.

In the case of amendments made to any law/regulations (e.g, SEBI Regulations, Foreign Exchange Regulations, Taxation Laws etc) in relation to mutual funds or the Scheme, such amendments will automatically apply to the Scheme to the extent and in the manner provided in such laws/regulations.

Subject to SEBI Regulations, any amendment to regulations / clarifications / guidelines issued by SEBI for the operation of mutual funds will apply to the Scheme.

All response times are to be reckoned from the time of receipt of correct/complete information relating to the transaction.

t. Options and Investment Plans offered under the Scheme

The Scheme offers the investors the following investment options.

- a. Growth Option
- b. Dividend Option - Payout

Investors are required to tick the appropriate box in the application form indicating their option. In case the investor fails to indicate the option, the Growth option will be considered as the default option.

a. Growth Option

Investors who prefer capital appreciation can opt for the Growth Option. Under this option, ordinarily, there will be no dividend payouts and the income earned will continue to remain invested/deployed in the Scheme and the movement in the NAV will reflect the growth.

Investors are required to tick the appropriate box in the application form indicating their option. Failing of which, the units will be allotted under the default option i.e. Growth option.

b. Dividend Option - Payout

Under the dividend option dividends will be declared out of the distributable surplus as per SEBI regulations and paid to the investors holding the units on the record date fixed for this purpose. While it is the intention of the Trustees to pay out dividends periodically, there is no assurance/guarantee with respect to the quantum or frequency or certainty of dividend distribution, which will depend on the performance of the Scheme and availability of distributable surplus. The dividend payout may also vary from time to time. The decision of the Trustees will be final in this regard.

Unitholders opting for the Dividend Option will only receive dividends. All those unitholders whose names appear in the Register of the Scheme, under the Dividend Option as on the Record Date will be entitled to the dividend.

As per the Regulations, the AMC shall despatch the dividend warrants to the unitholders within 30 days of declaration of dividend. Dividends will be payable to those unitholders whose names appear in the Register of unitholders on the Record Date. The cheques/warrants will be drawn in the name of the sole/first holder and will be posted/mailed to the address as indicated in the application form. As per SEBI guidelines and in the interest of the investors to safeguard from loss or theft of dividend cheques/warrants, investors are requested to provide the name of the bank, branch and account number in the application form. Such information will be incorporated in the cheques/warrants. Investors can also opt to receive dividend through the 'Direct Credit Facility' as outlined in 'Units and offer' in this part.

The dividend payout will again be subject to the distribution tax payable by the Mutual Fund as per the Income Tax Act or other Laws. It should be noted that after the record date for distribution of dividend, the NAV per unit may fall to the extent of the payout and distribution tax, if any.

w. GENERAL

Subject to SEBI regulations, the Trustees will have the power to do anything not inconsistent with the provisions of the Scheme/Regulations, which appear to them to be desirable or expedient for giving effect to the provisions of the Scheme or for removal of any difficulty or inconsistency that may arise in the operation of the Scheme. In exercise of such powers, the Trustees may prescribe necessary forms, terms and rules with power to the AMC to alter them from time to time.

The Trustees may add or otherwise modify any feature investment plans/patterns, options etc. after obtaining the approval of SEBI, unitholders and other authorities, wherever required, in accordance with the SEBI Regulations and other applicable laws and the same will be binding on each unitholder or any person claiming through him, as if such unitholder or person had expressly agreed to such addition/modification.

x UNCLAIMED REDEMPTION/DIVIDEND AMOUNT

The unclaimed redemption amount and dividend amounts may be deployed by the Scheme in call money market or money market instruments only and the investors who claim these amounts during a period of three years from the due date shall be paid at the prevailing net asset value. After a period of three years, this amount will be transferred to a pool account and the investors can claim the amount at NAV prevailing at the end of the third year. The income earned on such funds will be used for the purpose of investor education. The AMC will make a continuous effort to remind the investors through letters to take their unclaimed amounts. Further, the investment management fee charged by the AMC for managing unclaimed amounts shall not exceed 50 basis points.

PART IV

1. LOAD STRUCTURE

Entry Load and Exit Load:

In terms of SEBI circular IMD/Cir No.1/64057/06 dated April 4, 2006 close-ended schemes shall not charge any entry load.

For the present, the Board of Trustees have prescribed the following entry and exit loads for units to be issued:

New Fund Offer Period

Entry Load	Nil
Exit Load on Specified Redemption Dates	
Upto 12 Months	3%
After 12 Months to 24 Months	2.5%
After 24 Months to 36 Months	2%
After 36 Months to 48 Months	1%
After 48 Months to 60 Months	0.5%

For this purpose, applicable NAV means the Net Asset Value per Unit at the close of the business on the valuation date.

The repurchase price shall not be lower than 95% of the applicable NAV per unit and the sale price not higher than 105% of the applicable NAV. However, the spread between the repurchase and sale prices will not exceed the permissible limit of 5% of the sale price as prescribed by SEBI Regulations.

The Trustees reserves the right to prescribe or modify the load structure with prospective effect and to introduce an exit load or a combination of entry and exit loads, subject to a maximum as prescribed under SEBI Regulations. The change will be notified by a suitable display at the Corporate Office of the AMC and at the Investor Service Centres.

Any imposition or enhancement of a load in future shall be applicable on prospective investments only. At the time of changing the load structure, the addendum detailing the changes will be attached to the copies offer documents. The addendum will be circulated to all the distributors/brokers so that the same can be attached to all copies of the offer document already in stock. The addendum will also be sent along with the newsletter sent to the unitholders in advance.

Arrangements will be made to display the changes/modifications in the offer document in the form of a notice at all the investor service centres and distributors/brokers offices.

The introduction of the exit load/Contingent Deferred Sales Charges (CDSC) along with the details will be stamped in the acknowledgement slip issued to the investors on submission of the application form and will also be disclosed in the statement of accounts issued after the introduction of such load/CDSC.

All loads (including CDSC) for the Scheme shall be maintained in a separate account and may be utilised towards the selling and distribution expenses. Any surplus in this account may be credited to the Scheme, whenever felt appropriate by the AMC.

2. EXPENSES

(a) Initial Issue Expenses:

Being a close-ended scheme, in terms of SEBI circular IMD/Cir No.1/64057/06 dated April 4, 2006 where the initial issue expenses are amortised, an investor exiting the scheme before amortisation is completed, AMC shall redeem the units only after recovering the balance proportionate unamortised issue expenses.

The initial issue expenses incurred by the scheme will be amortised over a period of 5 years from the date of allotment. In accordance with the SEBI Circular SEBI/IMD/Cir no1/64057/06 dated 4th April 2006, in respect of the investor exiting the scheme before amortisation is completed, the AMC shall redeem the units only after recovering the balance proportionate unamortized issue expenses.

Sl. No	Particulars	On Day 1	After 1 Yr	After 2 Yrs	After 3 Yrs	After 4 Yrs	After 5 Yrs
1	Amount Mobilised. (Rs.)	1000.00	1000.00	1000.00	1000.00	1000.00	1000.00
2.	SalesPrice/Unit (Rs.)	10.00	10.00	10.00	10.00	10.00	10.00
3.	No. of Units	100.000	100.000	100.000	100.000	100.000	100.000
4.	Initial Issue exp @ 6% (Rs.)	60.00	60.00	60.00	60.00	60.00	60.00
5.	Amount available for Investments(Rs.)	940.00	940.00	940.00	940.00	940.00	940.00
6.	No. of Yrs of amortisation	5	5	5	5	5	5
7.	No. of Days	1825	1825	1825	1825	1825	1825
8.	Per day amortisation of initial issue expenses (1 Day/ 1yr/2yrs... (Rs.)	0.03287	12.00	24.00	36.00	48.00	60.00
9.	Balance initial issue expenses to be amortised. (Rs.)	59.97	48.00	36.00	24.00	12.00	—
10.	NAV Per Unit	9.9997	9.8800	9.7600	9.6400	9.5200	9.4000
	If 10% of the Investors redeem their units	On Day 1	After 1 Yr	After 2 Yrs	After 3 Yrs	After 4 Yrs	After 5 Yrs
	No. of Units redeemed	10	10	10	10	10	10
	NAV Per Unit (Rs.)	9.9997	9.8800	9.7600	9.6400	9.5200	9.4000
	Redemption Value before charging the initial issue expenses (Rs.)	99.9967	98.80	97.60	96.40	95.20	94.00
	Proportionate share of initial issue expenses (Rs.)	5.9967	4.80	3.60	2.40	1.20	—
	Amount Payable to Investor (Rs.)	94.000	94.00	94.00	94.00	94.00	94.00

Note: The NAV for day one has been calculated by considering the impact of the initial issue expenses only. The impact of the

earnings/losses due to investment of the initial subscription Amount collected under the Scheme has not been considered. The impact of load has not been considered for calculation of Sale Price and Repurchase Price.

(b) Annual Recurring Expenses

The total annual recurring expenses of this Scheme excluding issue or redemption expenses but including the investment management advisory fee, shall be subject to the limits mentioned below.

Head of Expense	Estimated (%)
Investment Management & Advisory Fees to the AMC	1.25%
Trustee fees	0.03%
Custodian Fees	0.60%
Registrar & Transfer Agent Fees	0.30%
Marketing & Selling Expenses including Agents' Commission	0.05%
Misc. Expenses including Audit Fees, cost of investor communication, Cost of fund transfer	0.27%
Total Annual Recurring Expenses	2.50%

The purpose of the above table is to assist the investor in understanding the various costs and expenses that an investor in the Scheme may have to bear.

The investment management fees charged shall be 1.25% of the average daily net assets up to Rs.100 crores, and 1.00% of the average daily net assets on the excess amount over Rs.100 crores.

The above estimates have been made in good faith as per information available to the Investment manager and the above expenses are subject to change inter se. The total annual recurring expenses of the Scheme excluding issue or redemption expenses, but including the Investment Management and Advisory Fee shall be subject to the following limits:

On the first Rs 100 Crores of the average weekly net assets	2.50%
On the next Rs 300 Crores of the average weekly net assets	2.25%
On the next Rs 300 Crores of the average weekly net assets	2.00%
On the balance assets	1.75%

As per the SEBI Regulations, the total recurring expenses that can be charged to this Scheme shall be subject to the applicable guidelines. Any recurring expense above the permitted limits will be borne by the AMC.

Month/Year	Scheme	Amount Rs. in lakh	Borne by AMC/ Amortised by the Scheme
June 04	Sundaram BNP Paribas India Leadership Fund	245	Scheme
December 04	Sundaram BNP Paribas Floating Rate Fund	5.89	AMC
January 05	Sundaram BNP Paribas S.M.I.L.E Fund	1442	Scheme
August 05	Sundaram BNP Paribas Capex opportunities Fund	2174	Scheme
October 05	Sundaram BNP Paribas Value Plus	4.13	AMC
February 06	Sundaram BNP Paribas Fixed Term Plan	13.00	AMC
March 06	Sundaram BNP Paribas Rural India Fund	5848	Scheme
June 06	Sundaram BNP Paribas Fixed Term Plan Series VI and VII	1.20	AMC
September 06	Sundaram BNP Paribas Fixed Term Plan Series IX	1.19	AMC
October 06	Sundaram BNP Paribas Fixed Term Plan Series VIII	0.79	AMC
November 06	Sundaram BNP Paribas Fixed Term Plan Series X & XI	1.21	AMC
December 06	Sundaram BNP Paribas Fixed Term Plan Series XIV	0.93	AMC

(3) CONDENSED FINANCIAL INFORMATION OF THE SCHEMES LAUNCHED DURING THE LAST THREE FISCAL YEARS:

Sundaram BNP Paribas Monthly Income Plan (Not an assured Income scheme)

(Amount in Rs.)

Sl.No.	HISTORICAL PER UNIT STATISTICS	12.01.04	01.01.04	01.04.05	01.04.06
		31.03.04	31.03.05	31.03.06	30.11.06
1.	Date of allotment	19.01.2004	19.01.2004	19.01.2004	19.01.2004
2.	NAV at the beginning				
	Monthly	10.00	10.09	10.2398	10.7739
	Quarterly	10.00	10.09	10.3614	10.8490
	Half-yearly	10.00	10.09	10.4987	11.7383
	Growth	10.00	10.09	10.7078	12.2751
3.	Dividend (Rest.)				
	Monthly (Inca Div Tax)	—	0.66765	1.5272	1.0835
	Quarterly	—	0.46229	1.9162	0.9629
	Half-yearly	—	0.46229	0.4279	2.4197
	Growth	—	—	—	—
4.	Transfer to reserves	—	—	—	—
5.	NAV at the end (Rest.)				
	Monthly	10.09	10.2398	10.7739	10.3054
	Quarterly	10.09	10.3614	10.8490	10.5921
	Half-yearly	10.09	10.4987	11.7383	10.6061
	Growth	10.09	10.7078	12.2751	12.6505
6.	Annualised Return (Since inception)	0.09%#	5.62%	9.69%	8.55%
7.	Benchmark returns \$	0.90%	6.96%	6.00%	6.88%
8.	Net Assets at the end of the period (Rs. in crore)	247.21	76.65	48.03	53.43
9.	Ratio of recurring expenses to Average Net Assets	2.04%	2.21%	1.94%	2.08%
10.	Net income (per unit)	0.0891	0.85	1.71	0.64

- Absolute Return

\$ - CRISIL MIP Blended Index

Sundaram BNP Paribas Floating Rate Fund – Short Term Plan (Amount in Rs)

Sl.No	HISTORICAL PER UNIT STATISTICS	30.12.04	01.04.05	01.04.06
		31.03.05	31.03.06	30.11.06
1.	Date of allotment	30.12.2004	30.12.2004	30.12.2004
2.	NAV at the beginning - Regular			
	Monthly	10.00	10.1297	10.1882
	Growth	10.00	10.1297	10.6986
	NAV at the beginning - Institutional			
	Daily	10.00	10.0519	10.0519
	Weekly	10.00	10.1196	10.2228
	Monthly	10.00	10.1365	10.2126
	Growth	10.00	10.1365	10.7176
3.	Dividend – Regular – Monthly	0.0676	0.4312	0.5277
	Dividend – Institutional – Daily	0.08296	0.7317	—
	Weekly	0.01407	0.04157	—
	Monthly	0.0349	0.9017	0.5729
	Quarterly	—	0.0877	—
4.	Transfer to reserves	—	—	—
5.	NAV at the end - Regular – Monthly	10.1297	10.1882	10.2123
	Growth	10.1297	10.6986	11.0899
	NAV at the end- Institutional – Daily	10.0519	10.0519	10.0519
	Weekly	10.1196	10.2228	—
	Monthly	10.1365	10.2126	10.2390
	Growth	10.1365	10.7176	11.1996
6.	Return – Regular - \$	0.41%	5.47	6.37%
	Institutional \$	0.43%	6.05	6.93%
7.	Benchmark returns \$ – Regular (CRISIL Liquid Fund Index)	0.37%	5.88	5.84%
	Institutional \$	0.37%	5.73	5.84%
8.	Net Assets at the end of the period (Rs. in crore)	129.05	128.88	168.78
9.	Ratio of recurring expenses to Average Net Assets _ Regular	1.01%	1.02%	1.00%
	Institutional	0.73%	0.46%	0.43%
10.	Net income (per unit)	0.175	1.06	0.4651

\$- Last one month returns

Sundaram BNP Paribas Floating Rate Fund – Long Term Plan (Amount in Rs)

Sl.No.	HISTORICAL PER UNIT STATISTICS	30.12.04	01.04.05	01.04.06
		31.03.05	31.03.06	30.11.06
1.	Date of allotment	30.12.2004	30.12.2004	30.12.2004
2.	NAV at the beginning - Regular			
	Monthly	10.00	10.1217	10.2532
	Quarterly	10.00	10.1217	10.2271
	Half Yearly	10.00	10.1217	10.3776
	Annual	10.00	10.1217	10.6162
	Growth	10.00	10.1217	10.6187
	NAV at the beginning - Institutional			
	Monthly	10.00	10.1220	10.2516
3.	Dividend – Regular			
	Monthly	0.06264	0.3598	0.8304
	Quarterly	—	—	0.6472
	Half Yearly	—	—	0.9060
	Annual	—	—	1.2984
	Dividend – Institutional – Monthly	0.03044	0.3050	0.2178
	Dividend – Institutional – Quarterly	—	0.2861	—
	Transfer to reserves	—	—	—
4.	NAV at the end - Regular			
	Monthly	10.1217	10.2532	10.2773
	Quarterly	10.1217	10.2271	10.2675
	Half - Yearly	10.1217	10.3776	10.2682
	Annual	10.1217	10.6162	10.2646
	Growth	10.1217	10.6187	11.0684
	NAV at the End- Institutional			
	Monthly	10.1220	10.2516	10.2808
5.	Annualised Return – Regular			
	(Since inception)	0.39%	4.95	5.44%
6.	Annualised Return – Institutional			
	(Since inception)	0.39%	4.95	0.09%
7.	Benchmark returns – Regular			
	(CRISIL Liquid Fund Index)	0.37%	2.79	-4.28%
8.	Benchmark returns – Institutional			
	(CRISIL Liquid Fund Index)	0.37%	2.79	-4.28%
8	Net Assets at the end of the period (Rs. in crore)	15.59	13.71	11.05
9.	Ratio of recurring expenses to Average Net Assets _ Regular	1.00%	1.00%	1.00%
	Institutional	1.00%	1.00%	1.00%
10.	Net income (per unit)	0.176	0.4723	0.4198

Sundaram BNP Paribas Value Plus

(Amount in Rs.)

Sl.No.	HISTORICAL PER UNIT STATISTICS	04.12.05	01.04.06
		31.03.06	30.11.06
1.	Date of allotment	04.12.2005	04.12.2005
2.	NAV at the beginning	10.00	—
	Growth	10.00	10.6566
3.	Dividend (Rs.)		
	Dividend	—	—
4.	Transfer to reserves	—	—
5.	NAV at the end (Rs.)		
	Growth	10.6566	10.8848
6.	Return (Since inception) #	6.56	8.84%
7.	Benchmark returns \$	3.58	9.99%
8.	Net Assets at the end of the period (Rs. in crore)	3.74	358
9.	Ratio of recurring expenses to Average Net Assets	0.78%	0.73%
10.	Net income (per unit)	0.16	0.5577

Absolute Return

\$ - CRISIL MIP Blended Fund

Sundaram BNP Paribas Fixed Term Plan – Series 3

(Amount in Rs)

Sl.No.	HISTORICAL PER UNIT STATISTICS	24.02.06	01.04.06
		31.03.06	30.11.06
1.	Date of allotment	24.02.2006	24.02.2006
2.	NAV at the beginning	—	—
	Growth	10.00	10.0766
	Dividend	10.00	10.0766
3.	Dividend (Rs.)		
	Dividend	—	—
4.	Transfer to reserves	—	—
5.	NAV at the end (Rs.)		
	Dividend	10.0766	10.6232
	Growth	10.0766	10.6232
6.	Return (Since inception) #	0.766	6.23%
7.	Benchmark returns \$	-0.17	3.94%
8	Net Assets at the end of the period (Rs. in crore)	24.02	25.33
9.	Ratio of recurring expenses to Average Net Assets	0.26%	0.26%
10.	Net income (per unit)	0.077	0.5466

- Absolute Return \$- CRISIL Composite Bond Fund Index

Sundaram BNP Paribas Fixed Term Plan – Series 7 (Amount in Rs)

Sl.No.	HISTORICAL PER UNIT STATISTICS	30.06.2006 30.11.2006
1.	Date of allotment	30.06.2006
2.	NAV at the beginning	
	Growth	10.00
	Dividend	10.00
3.	Dividend (Rs.)	
	Dividend	—
4.	Transfer to reserves	—
	NAV at the end (Rs.)	
	Dividend	10.3369
	Growth	10.3369
6.	Return (Since inception) #	3.37%
7.	Benchmark returns \$	2.99%
8.	Net Assets at the end of the period (Rs. in crore)	14.92
9.	Ratio of recurring expenses to Average Net Assets	0.27%
10.	Net income (per unit)	0.3369

- Absolute Return \$- CRISIL Composite Bond Fund Index

Sundaram BNP Paribas Fixed Term Plan – Series 9 (Amount in Rs)

Sl.No.	HISTORICAL PER UNIT STATISTICS	28.09.2006 30.11.2006
1.	Date of allotment	28.09.2006
2.	NAV at the beginning	
	Growth	10.00
	Dividend	10.00
3.	Dividend (Rs.)	
	Dividend	—
4.	Transfer to reserves	—
	NAV at the end (Rs.)	
	Dividend	10.1319
	Growth	10.1319
6.	Return (Since inception) #	1.32%
7.	Benchmark returns \$	1.27%
8.	Net Assets at the end of the period (Rs. in crore)	282.10
9.	Ratio of recurring expenses to Average Net Assets	0.12%
10.	Net income (per unit)	0.1321

- Absolute Return \$- CRISIL Liquid Fund Index

Sundaram BNP Paribas Fixed Term Plan – Series 10 (Amount in Rs)

Sl.No.	HISTORICAL PER UNIT STATISTICS	13.11.2006 30.11.2006
1.	Date of allotment	13.11.2006
2.	NAV at the beginning	
	Growth	10.00
	Dividend	10.00
3.	Dividend (Rs.)	
	Dividend	—
4.	Transfer to reserves	—
	NAV at the end (Rs.)	
	Dividend	10.0416
	Growth	10.0416
6.	Return (Since inception) #	0.42%
7.	Benchmark returns \$	0.29%
8.	Net Assets at the end of the period (Rs. in crore)	179.64
9.	Ratio of recurring expenses to Average Net Assets	0.12%
10.	Net income (per unit)	0.0416

- Absolute Return \$- CRISIL Liquid Fund Index

Sundaram BNP Paribas Fixed Term Plan – Series 11 (Amount in Rs)

Sl.No.	HISTORICAL PER UNIT STATISTICS	13.11.2006 30.11.2006
1.	Date of allotment	13.11.2006
2.	NAV at the beginning	
	Growth	10.00
	Dividend	10.00
3.	Dividend (Rs.)	
	Dividend	—
4.	Transfer to reserves	—
	NAV at the end (Rs.)	
	Dividend	10.0443
	Growth	10.0443
6.	Return (Since inception) #	0.44%
7.	Benchmark returns \$	0.29%
8.	Net Assets at the end of the period (Rs. in crore)	322.14
9.	Ratio of recurring expenses to Average Net Assets	0.12%
10.	Net income (per unit)	0.0453

- Absolute Return \$- CRISIL Liquid Fund Index

Sundaram BNP Paribas India Leadership Fund (Amount in Rs)

Sl.No.	HISTORICAL PER UNIT STATISTICS	02.07.04 31.03.05	01.04.05 31.03.06	01.04.06 30.11.06
1	Date of allotment	02.07.2004	02.07.2004	02.07.2004
2	NAV at the beginning			
	Dividend	10.00	11.2217	17.4221
	Growth	10.00	13.7713	27.7691
3	Transfer to reserves	—	—	—
4	Dividend	2.50	4.00	3.00
	NAV at the end (Rs.): Dividend	11.2217	17.4221	14.3008
	Growth	13.7713	27.7691	29.3150
6	Annualised Return (Since inception)	37.52%	79.54%	56.46%
7	Benchmark returns (SNPCNX Nifty)	30.64%	57.64%	48.17%
8	Net Assets at the end of the			
	period (Rs. in crore)	79.68	274.06	300.51
9	Ratio of recurring expenses			
	to Average Net Assets	2.19%	2.43%	0.02%
10	Net income (per unit)	1.75	1.67	1.69

Sundaram BNP Paribas S.M.I.L.E. Fund

(Amount in Rs)

Sl.No.	HISTORICAL PER UNIT STATISTICS	02.07.04 31.03.05	01.04.05 31.03.06	01.04.06 30.11.06
1.	Date of allotment	15.02.2005	15.02.2005	15.02.2005
2.	NAV at the beginning			
	Dividend	10.00	10.0715	14.9073
	Growth	10.00	10.0724	17.2667
3.	Dividend (Rs.)			
	Dividend	—	2.00	—
4.	Transfer to reserves	—	—	—
5.	NAV at the end (Rs.)			
	Dividend	10.0715	14.9073	15.8298
	Growth	10.0724	17.2667	18.3323
6.	Annualised Return (Since inception)	-0.4% #	62.81	41.52%
7.	Benchmark returns \$	-2.03%	52.50	42.58%
8.	Net Assets at the end of the period (Rs. in crore)	352.18	280.08	220.07
9.	Ratio of recurring expenses to			
	Average Net Assets	2.13%	2.33%	2.36%
10.	Net income (per unit)	0.07	5.37	2.84

- Absolute Return

\$ - BSE 500

Sundaram BNP Paribas CAPEX Opportunities Fund – Growth (Amount in Rs.)

Sl.No.	HISTORICAL PER UNIT STATISTICS	29.09.05 31.03.06	01.04.06 30.11.06
1.	Date of allotment	29.09.2005	29.09.2005
2.	NAV at the beginning	10.00	
	Growth	10.00	14.9113
3.	Dividend (Rs.)	—	—
4.	Transfer to reserves	—	—
5.	NAV at the end (Rs.) — Growth	14.9113	17.0263
6.	Return (Since inception) #	49.11	58.28%
7.	Benchmark returns \$	65.67	67.13%
8.	Net Assets at the end of the period (Rs. in crore)	281.75	246.03
9.	Ratio of recurring expenses to Average Net Assets	2.35%	2.35%
10.	Net income (per unit)	1.18	1.62

- Absolute Returns based on NAV at the end \$ BSE Capital Goods Index

Sundaram BNP Paribas CAPEX Opportunities Fund - Dividend (Amount in Rs.)

Sl.No.	HISTORICAL PER UNIT STATISTICS	29.09.05 31.03.06	01.04.06 30.11.06
1.	Date of allotment	29.09.2005	29.09.2005
2.	NAV at the beginning	10.00	
	Dividend	10.00	13.9647
3.	Dividend (Rs.)		
	Dividend	1.00	—
4.	Transfer to reserves	—	—
5.	NAV at the end (Rs.) Dividend	13.9647	15.8898
6.	Return (Since inception) #	39.65	57.83%
7.	Benchmark returns \$	65.67	67.13%
8.	Net Assets at the end of the period (Rs. in crore)	499.74	368.64
9.	Ratio of recurring expenses to Average Net Assets	2.27%	2.30%
10.	Net income (per unit)	1.56	2.37

- Absolute Returns based on NAV at the end \$ BSE Capital Goods Index

Sundaram BNP Paribas Rural India Fund

(Amount in Rs)

Sl.No.	HISTORICAL PER UNIT STATISTICS	12.05.06 30.11.06
1.	Date of allotment	12.05.2006
2.	NAV at the beginning	
	Growth	10.00
3.	Dividend (Rs.)	
	Dividend	1.00
4.	Transfer to reserves	—
5.	NAV at the end (Rs.)	
	Dividend	10.6731
6.	Growth	11.6971
	Return (Since inception) #	16.97%
7.	Benchmark returns \$	6.04%
8.	Net Assets at the end of the period (Rs. in crore)	1023.97
9.	Ratio of recurring expenses to Average Net Assets	2.00%
10.	Net income (per unit)	1.18

- Absolute Return \$- BSE 500

Note:

1. Annualised returns reported in the tables above are calculated with the inception NAV taken at Rs.10, the face or par value of the Unit at the time of allotment. Any dividends paid by the Scheme have been assumed as reinvested in units of the Scheme at the ex-dividend NAV for the purpose of calculating the annualised returns.
2. The Net unrealized appreciation and depreciation is excluded for the purpose of calculating the Net income per unit.
3. Past Performance may or may not be sustained in future and may not necessarily provide a basis for comparison with other investments.
4. All Dividends inclusive of Corporate and Non Corporate Dividend wherever applicable.

PE 30.11.2006 Figures were un audited.

PART V**(1) INVESTOR'S RIGHTS AND SERVICES****(a) Investor Services**

Prospective investors and existing unitholders are welcome to contact the Head Customer Service & Transaction Processing, at the Corporate Office of the AMC for any further information about the Schemes of the Mutual Fund and also for any service concerning their investments in the Schemes of the Mutual Fund.

The address and phone numbers are:
Ms. S Balasubramaniam Head Customer Service & Transaction Processing 46, Whites Road, Second Floor Royapettah Chennai 600 014 Phone (91) (44) 28583362, 28583367 Fax (91) (44) 28583156 24-Hour Response: (91) (044) 28585607

The Fund ensures to complete all monetary transactions within ten working days from the date of receipt at the investor Service Centres. Non-monetary transactions and requests will be processed within ten days of receipt at any of the Investor Service centre.

(b) Information about the Scheme

An abridged scheme-wise annual report shall be mailed to all unitholders within six months from March 31 of each year. The abridged report shall contain such details as are required under the SEBI Regulations.

The AMC will also disclose the NAV of the Scheme on every week. Transparency will be maintained through half-yearly disclosure of the established portfolio of the Scheme through newsletters or publish in newspapers.

The AMC will endeavour to publish the NAV, Repurchase Price and Sale Price of the Units of this Scheme as per SEBI regulations.

(c) Account Statements

Each unitholder will be sent a non-transferable Account Statement, which is a conclusive proof of investment in the Schemes of the Mutual Fund. The AMC will endeavour to forward the Account Statement within ten working days after every transaction of Sale or Repurchase of Units and also in the case of other services. Investors are urged to preserve the Account Statement carefully as it is a valuable document.

(d) NAV Information

The NAV of the Scheme will be calculated and announced by the Fund on every Week i.e. on every Wednesday and on second Friday of the fortnight. The unitholders and all prospective investors can obtain the latest NAV information, by calling the Corporate Office of the AMC or any of the designated Investor Service Centres. Publication of NAV, shall be made at least in two daily newspapers in terms of SEBI Regulations once in a week.

(e) Disclosure of information under the Regulations

The Mutual Fund and the AMC shall before expiry of one month from the close of each half year, i.e. March 31 and September 30, publish the unaudited financial results in one English newspaper circulating in the whole of India and in a Tamil newspaper published from Chennai. These shall also be displayed on the websites of the mutual fund and that of the Association of Mutual Funds in India (AMFI).

The full annual report shall be available for inspection at the corporate office of the Mutual Fund and a copy thereof shall be made available to the unit holder on payment of Rs.10/-. The abridged Scheme-wise annual report shall be mailed to all Unit holders not later than six months from the date of closure of the relevant accounting year.

The Scheme shall publish, before expiry of one month from the close of each half year, that is on March 31 and September 30, its Scheme portfolio in the prescribed format as per the Regulation in one national English daily newspaper and in a newspaper in the language of the region where the HO of the Mutual Fund is situated or send a copy to all the unitholders and it shall also be displayed on the web site of the Mutual Fund.

(f) Rights of Unit holders of the Scheme

- Unit holders of the Scheme have a proportionate right in the beneficial ownership of the assets of the Scheme and dividend if any declared by the Mutual Fund under the Scheme.
- When a dividend is declared under this Scheme, the dividend option unitholders are entitled to the despatch of the dividend warrant within 30 days from the date of declaration of dividend.
- Unitholders are entitled to the despatch of redemption or repurchase proceeds within 10 working days from the date of redemption or repurchase.

- The Board of Trustees is bound to make such disclosures to the unitholders as are essential in order to keep them informed about any information, known to the Board of Trustees, which may have an adverse bearing on their investments.
- The appointment of the AMC for the Scheme can be terminated by a majority of the Trustees or by three-fourths of the unitholders of the Scheme.
- Any change in the appointment of the AMC shall be subject to the prior approval of SEBI and the unitholders of the respective schemes.
- The Board of Trustees are obliged to convene a meeting on a requisition made by three-fourths of the unitholders of the Scheme.
- Three-fourths of the unitholders can pass a resolution to wind up the Scheme.
- The unitholders have the right to inspect all the documents listed under "Documents Available for Inspection" stated elsewhere in this document.
- The Board of Trustees shall obtain the consent of the unitholders:
 - (i) whenever required to do so by SEBI, in the interest of the unitholders;
 - (ii) whenever required to do so on the requisition made by 75% of the unitholders of the Scheme;
 - (iii) when the Board of Trustees decides to wind up or prematurely redeem the units of the Scheme;
- when any change in the fundamental attribute of this Scheme or the trust or fees and expenses payable or any other change which would modify the Scheme or affect the interest of the unitholders, is proposed to be carried out, no change shall be carried out unless
 - (i) a written communication about the proposed change is sent out to each unit holder and an advertisement is given in one English daily newspaper having nation wide circulation as well as in a newspaper published in the language of the region where the Head office of the mutual fund is situated; and
 - (ii) the unitholders are given an option to exit at the prevailing NAV without any exit load.

[Note: For the purpose of this clause, Fundamental Attributes mean the Investment Objective and Terms of this Scheme].

(g) Procedure and Manner of Obtaining Investors Approval in Specified Circumstances

In circumstances requiring the approval of unitholders, the AMC shall be guided by the directions issued by SEBI and the Board of Trustees, under the Regulations, in regard to the manner of obtaining such approval. Further, those unitholders who have not given their consent or have not responded shall be allowed to redeem their holdings in full in the Scheme at any time at the NAV based price.

(h) Duration of the Scheme

Sundaram Select Small-Cap, being a close-ended scheme, will have a fixed maturity, which is 60 months from the date of allotment. However, in terms of the SEBI regulations, the Scheme may be wound up earlier after repaying the amount due to the unitholders:

1. if on the happening of any event which, in the opinion of the Board of Trustees, requires this Scheme to be wound up; or
2. if 75% of the unitholders of the Scheme pass a resolution that the Scheme be wound up; or
3. SEBI so directs in the interest of the unitholders of the Scheme; or

4. If the number of investors of the Scheme falls below 20. When the Scheme is to be wound up, the Trustees shall give notice of the circumstances leading to its winding up :
- (i) to SEBI and
 - (ii) to the unitholders of the Scheme by publication in the newspaper(s) as per prevailing guidelines.

On and from the date of the publications of the notice of winding up, the Board of Trustees or the AMC, as the case may be, shall:

1. cease to carry on any business activities in respect of the Scheme so wound up;
2. cease to create or cancel Units in the Scheme; and
3. cease to issue or redeem Units in the Scheme.

(i) Procedure and manner of Winding up

The scheme will be automatically wound up after the maturity period i.e. 5 years.

The Board of Trustees shall call a meeting of the unitholders to approve by simple majority of the unitholders present and voting at the meeting for authorising the Board of Trustees or any other person to take steps for the winding up of the Scheme.

The Board of Trustees or the person authorised above shall dispose of the assets of the Scheme concerned in the best interest of the unitholders of the Scheme.

The proceeds of sale realised in pursuance of the above, shall be first utilised towards discharge of such liabilities as are due and payable under the Scheme, and after making appropriate provision for meeting the expenses connected with such winding up, the balance shall be paid to the unitholders in proportion to their respective interest in the assets of the Scheme, as on date the decision for winding up was taken. On completion of the winding up, the Board of Trustees shall forward to SEBI and the unitholders a report on the winding up, detailing the circumstances leading to the winding up, the steps taken for disposal of the assets of the Scheme before winding up, net assets available for distribution to the unitholders and a certificate from the auditors of the Scheme.

Notwithstanding anything contained herein above, the provisions of the SEBI Regulations in respect of disclosures of half-yearly reports shall continue to be applicable until winding up is completed or the Scheme ceases to exist.

After receipt of the report referred to above, if SEBI is satisfied that all measures for winding up of the Scheme have been complied with, the Scheme shall cease to exist.

(2) TAX BENEFITS OF INVESTING IN A MUTUAL FUND

TAX IMPLICATIONS TO UNITHOLDERS

Certain tax benefits are described below that are believed to be available under the present taxation laws, to the unit holders of mutual funds, including Sundaram BNP Paribas Mutual Fund. The information set forth below is included for general information purposes only. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to the specific tax consequences to him/her of participation in this scheme.

For the Fund:

1. **Registered with SEBI:** Sundaram BNP Paribas Mutual Fund is registered with SEBI and is as such eligible for benefits under Section 10(23D) of the Income Tax Act, 1961. Accordingly, the entire income of the fund is exempt from tax. The Fund will receive

all its income without deduction of tax as per the provisions of Section 196(iv) of the Income-tax Act, 1961.

2. **Dividend Distribution Tax:** No dividend distribution tax is required to be paid on distribution of dividend by the equity oriented schemes (both open-ended and closed-ended).
3. **Securities Transaction Tax (STT):** The seller of equity oriented mutual fund units has to pay Securities Transaction Tax @ 0.25% of the value of sale transaction, where value shall be the price at which the units are repurchased by the Fund.
4. **Service tax:** AMC/Mutual funds shall be liable to deduct and pay service tax as receipt of services on "Business Auxiliary Service" provided by distributors of mutual funds/agents. The rate of service tax is 10% plus education cess of 2%.

To the Unitholders:

1. Income

Income from the units of the mutual fund specified under Section 10(23D) of the Income-tax Act, 1961 is exempt in the hands of unit holders under Section 10(35) of the Act. Further, it has been provided that the above exemption is not applicable to any income arising from transfer of units of Mutual Fund.

2. Long term Capital gains on transfer of units

As per Section 10(38) of the Income-tax Act, 1961, Long-term Capital Gains arising from sale of units of an equity oriented fund, transacted at a recognized stock exchange or sale of such units to the mutual fund, is exempt from Income tax in the hands of unit holders, provided such transaction of sale is subject to Securities Transaction Tax.

3. Short term Capital Gains on transfer of units:

In terms of Section 111A, short term capital gains arising on sale of units of an equity oriented fund entered into in a recognized stock exchange or sale of such units to the mutual fund shall be taxed @10% plus applicable surcharge and cess provided such transaction is chargeable to Securities Transaction Tax.

4. Capital Losses:

Losses under the head 'Capital Gains' cannot be set off against income under any other head. Further with the head, "Capital Gains", losses arising from the transfer of long-term capital assets cannot be adjusted against gains arising from the transfer of a short-term capital asset. However, losses arising from the transfer of short-term capital assets can be adjusted against gains arising from the transfer of long-term or short-term capital assets.

Under Section 10(38), whereby Long-term Capital Gains on sale of units of equity oriented scheme will be exempt from Income tax, provided certain conditions are fulfilled. Hence, long term capital losses arising from such type of transactions of sale of equity oriented schemes would not be eligible for set off against taxable capital gains.

5. Dividend Stripping (all unit holders)

As per Section 94(7) of the Act, loss arising on sale of units, which are bought within 3 months prior to the record date (i.e. the date fixed by the Mutual Fund for the purposes of entitlement of the unit holders to receive the income) and sold within 9 months after the record date, shall be ignored for the purpose of computing income chargeable to tax to the extent of exempt income received or receivable on such units.

6. Bonus Stripping (All Unit holders):

As per Section 94(8) of the Income-tax Act, 1961, where additional

units have been issued to any person without any payment, on the basis of existing units held by such person, then the loss on sale of original units shall be ignored for the purpose of computing income chargeable to tax, if the original units were acquired within 3 months prior to the record date fixed for receipt of additional units and sold within 9 months from such record. The amount of loss so ignored shall be deemed to be the cost of acquisition/purchase of such bonus units as are held by him/it on the date of such sale/transfer.

7. Rebate under Section 88E of the Income-tax Act, 1961:

Rebate under Section 88E can be claimed by unit holder for STT paid from the tax payable by him when (a) units are held as stock- in-trade; and (b) profits arising from sale of such units are offered for tax under the head "Profits and Gains of Business or Profession".

Capital Gains and TDS thereon for investment in the units Equity oriented schemes:

Type	Tax rates* under the tax	TDS Rates* @ under the Act		
		Resident	NRIs/PIOs	FIIIs
Short term capital gains	10% on repurchase of units where STT is payable (u/s.111A)	Nil	10% for all non-residents (u/s.195)	Nil
Long term capital gains	Exemption in case of repurchase of units where STT is payable u/s.10(38)	Nil	Nil	Nil

* Plus surcharge and education cess as per the Income tax act.

Investments by Charitable and Religious Trusts

Units of a Mutual Fund scheme referred to clause 23D of Section 10 of the Income-tax Act, 1961, constitute an eligible avenue for investment by charitable and religious trusts as per rule 17C of the Income-tax Rules, 1962, read with clause (xii) of Section (5) of Section 11 of the Income-tax Act, 1961.

Wealth Tax :

Units held under the mutual fund scheme are not treated as assets within the meaning of section 2(ea) of the Wealth Tax Act, 1957 and are, therefore, not liable to wealth tax.

Gift tax Act, 1958 :

Units of the mutual fund may be given as a gift and no gift tax will be payable by the donor or the donee as the Gift Tax Act has been abolished. However, as per the provisions of Section 2(24) of the Income-tax Act, 1961, the definition of income of an individual or HUF will include any sum referred to Section 56(2)(vi) of the Act, viz., any sum of money received in a financial year, the aggregate value of which exceeds Rs.50,000/- received any person or persons without corresponding consideration. There are some exceptions to this provision:

- Amount received from relatives;
- Amount received on the occasion of the marriage of the individual;
- Amount received under a will or by way of inheritance;
- Amount received in contemplation of death of the payer;
- Amount received from any local authority as defined in the Explanation to clause (20) of Section 10 of the Income-tax Act, 1961.
- Amount received from any fund or foundation or university or educational institution or hospital or other medical institution or any trust or institution referred to in clause (23C) of Section 10 of the Income-tax Act, 1961;

- Amount received from any trust or institution registered under Section 12 AA of the Income-tax Act, 1961.

PART VI

Other Matters

1. Investments in Group Companies

Sundaram BNP Paribas Mutual Fund, under all its Schemes, has no investment in the Group companies of the sponsor. The AMC does not have a separate policy for investment in securities of the group companies. Any such investments will be made on pure commercial consideration for the benefits of the Mutual Fund and as per Regulations. As per current regulations, no investment will be made in any unlisted securities of an associate or group company of the sponsor and in any securities issued by way of private placement by an associate or group company of the sponsor. Further, no investment shall be made in listed securities of group companies of the sponsor in excess of 25% of the net assets of the Scheme.

2. Investor grievances redressal mechanism

Service requests and grievances, if any, from the investors are received at the corporate office of the AMC or its investor service centres or by its registrars. The service requests, complaints or grievances are closely followed up with the Registrar to ensure timely redressal and prompt investor service. Given below is a summary of all such service requests/complaints/grievances received from the unitholders of the schemes of Sundaram Mutual Fund up to November 30, 2006.

Summary of service requests/complaints/grievances received and redressed:

Slno.	Scheme	2004 - 05	2005-06	01.04.06 30.11.06
1.	Sundaram BNP Paribas Tax saver'97	441	516	244
2.	Sundaram BNP Paribas Growth Fund	5341	5956	4707
3.	Sundaram BNP Paribas Bond Saver	18455	8460	3130
4.	Sundaram BNP Paribas Tax saver'98	39	122	371
5.	Sundaram BNP Paribas Tax Saver OE	3920	8108	8402
6.	Sundaram BNP Paribas Money Fund	1213	1486	661
7.	Sundaram BNP Paribas Balanced Fund	3093	5334	2037
8.	Sundaram BNP Paribas Gilt Fund	206	337	60
9.	Sundaram BNP Paribas Select Focus	5184	3828	5105
10.	Sundaram BNP Paribas Select Midcap	10284	15572	33900
11.	Sundaram BNP Paribas Income Plus	2585	1229	443
12.	Sundaram BNP Paribas Select Debt	784	712	258
13.	Sundaram BNP Paribas Monthly Income Plan	5923	3025	1609
14.	Sundaram BNP Paribas India Leadership Fund	5597	8860	10436
15.	Sundaram BNP Paribas Floating Rate Fund	151	842	875
16.	Sundaram BNP Paribas SMILE Fund	1521	14990	5568
17.	Sundaram BNP Paribas CAPEX Opportunities Fund	—	8905	16657
18.	Sundaram BNP Paribas Rural India Fund	—	—	17031
19.	Sundaram BNP Paribas Value Plus	—	13	10

Note: there were no pending request/complaint/grievance as on 30.11.2006 except the following, which were resolved subsequently: Sundaram BNP Paribas Balanced Fund-1, Sundaram BNP Paribas Select Midcap-1, Sundaram BNP Paribas Rural India Fund-1.

There were 13 complaints received through SEBI during the period from 1 April 2006 to 30th November 2006 and all were redressed.

3. Associate Transactions

(a) Underwriting obligations with respect to issues of Group/Associate Companies

The Sundaram Mutual Fund, under all its Schemes, has till date not entered into any underwriting contracts in respect of any public issue made by any group/ associate company of the Sponsor.

(b) Subscription to issues lead managed by Group/Associate Companies

No Schemes of Sundaram Mutual Fund have till date invested in any public issue lead managed by any group/associate company of the Sponsor.

(c) Dealings with Group/Associate Companies

The AMC from time to time, for the purpose of conducting its normal business, uses the services of the Sponsor and the subsidiaries and other associates of the Sponsor, namely, Sundaram Finance Distribution Limited. The AMC may utilise the services of these group companies and any other subsidiary or associate company of the Sponsor that may be established later in case such an associate company is capable of providing the requisite services to the AMC. The AMC will conduct its business with the companies on commercial terms and on arms-length basis and at the prevailing market prices to extent permitted under the applicable laws including the Regulations, after an evaluation of the competitiveness of the pricing offered by the associate companies and services to be provided by them.

In terms of the amendments to SEBI Regulations, the Mutual Fund shall disclose at the time of declaring half-yearly and yearly results:

- any underwriting obligations undertaken by the schemes of the mutual fund with respect to issue of securities of associate companies;
- devolvement, if any;
- subscription by the schemes in the issues lead managed by associate companies;
- subscription to any issue of equity or debt on private placement basis where the sponsor or its associate companies have acted as arranger or manager.

Payments by the Sundaram BNP Paribas Mutual Fund to the Sundaram Finance Group Companies are as in the following tables:

(Rs. Lakhs)

Scheme Name	2003-04	2004-05	2005-06	01.04.06 30.11.06
Sundaram BNP Paribas Growth Fund	3.84	7.33	7.38	11.30
Sundaram BNP Paribas Select Focus	4.42	3.55	2.93	14.23
Sundaram BNP Paribas Select Midcap	7.16	13.53	12.75	30.50
Sundaram BNP Paribas Tax Saver (OE)	0.44	0.90	10.55	6.53
Sundaram BNP Paribas Balanced Fund	0.63	1.20	1.17	0.63
Sundaram BNP Paribas India Leadership Fund	—	14.19	21.14	16.89
Sundaram BNP Paribas S M I L E Fund	—	21.08	23.9	6.46
Sundaram BNP Paribas Capex Opportunities Fund	—	—	89.10	33.13
Sundaram BNP Paribas Bond Saver	39.57	10.92	3.7	0.88
Sundaram BNP Paribas Money Fund	4.85	7.40	2.84	6.16
Sundaram BNP Paribas Income Plus	5.53	1.53	0.67	0.50
Sundaram BNP Paribas Gilt Fund	0.01	0.07	0.01	0.06
Sundaram BNP Paribas Select Debt	0.71	0.90	0.07	0.02
Sundaram BNP Paribas Monthly Income Plan	7.82	6.03	1.96	0.76
Sundaram BNP Paribas Floating Rate Fund – STP	—	0.95	3.84	1.77
Sundaram BNP Paribas Floating Rate Fund – LTP	—	0.69	1.29	0.53
Sundaram BNP Paribas Value Plus	—	—	0.20	0.02
Sundaram BNP Paribas Fixed Term Plan	—	—	0.05	0.19
Sundaram BNP Paribas Rural India Fund	—	—	—	151.06

4. Investments made in companies which have invested more than 5% of the net asset value of the schemes of Sundaram BNP Paribas Mutual Fund as on 30th November 2006.

Company Name	Scheme	Investments made by the Scheme		Holdings as on 30.11.06 Market Value Rs. in Lakhs
		Scheme	Cost (Rs. In Lakhs)	
Allahabad Bank	Sundaram BNP Paribas Growth Fund	SUNGRO	185.08	—
		MIDCAP	217.73	—
		SILF	226.54	—
		SMILE	332.01	—
		SMON	16,642.29	1,466.90
		FTP-3 Yr Plan	460.12	200.56
		DEBTST	479.86	204.44
Bajaj Auto Ltd	Sundaram BNP Paribas FTP Series 3	SUNGRO	359.64	91.17
		SILF	677.95	256.04
		STAX	49.56	—
		SRURAL	3,248.09	2,196.55
Bank of Baroda	Sundaram BNP Paribas Money Fund	MIDCAP	1,620.68	1,839.59
	Sundaram BNP Paribas Money Fund	STAX	158.24	109.78
		SUNBAL	104.37	91.26
		SUNGRO (incl IPO)	452.78	270.21
		SUNMIP	27.59	31.29
		SMILE	52.95	—
		FOCUS	7.82	—
		SUNTAX	6.25	5.99
TAX98	3.78	3.62		
Bank of India	Sundaram BNP Paribas Floating Rate- Short Term	SMILE	750.78	461.84
		STAX	61.17	—
		SUNGRO	437.14	248.31
		MIDCAP	911.54	1,094.09
		SILF	443.73	472.08
		SRURAL	543.39	401.60
Grasim Industries	Sundaram BNP Paribas FTP series 3	CAPEXD	491.35	—
		CAPEXG	498.15	—
		SFOCUS	154.46	—
		SILF	735.61	656.80
		SMILE	544.94	667.91
		STAX	205.01	278.30
		SUNGRO	539.41	593.19
		TAX98	3.01	—
		SUNTAX	2.36	20.95
		SRURAL	4,146.69	4,731.02
		SUNBAL	107.23	130.10
MIP	68.79	85.44		

HDFC Bank Ltd	Sundaram BNP Paribas Money Fund - Super institutional	SUNGRO	123.04	—		
		SUNMIP	440.56	447.55		
		SFRSTP	935.79	1,500.00		
		MIDCAP	2,469.04	—		
		SUNVAL	2.50	—		
		TAXOE	25.95	—		
		SMON	18,861.57	2,445.54		
HCL Technologies Ltd	Sundaram BNP Paribas FTP series 3	SUNBAL	113.43	128.75		
		SUNGRO	181.19	100.25		
		STAX	108.00	124.71		
		SUNVAL	5.13	1.48		
		SILF	304.39	282.46		
Hindalco Industries Ltd	Sundaram BNP Paribas FTP series 6	SUNGRO	6.12	45.27		
		SFOCUS	30.03	306.43		
		SRURAL	166.16	—		
		SILF	646.25	297.45		
		SMILE	460.11	—		
		SUNBAL	41.97	41.04		
Industrial Development Bank of India	Sundaram BNP Paribas Money Fund	SUNBDS	49.29	989.37		
		SMON	13,950.41	6,311.75		
		SRURAL	998.25	—		
		SFR-STP	1,957.09	2,489.08		
		SFR-LTP	459.28	329.28		
		DEBTST	297.79	126.87		
India Nippon Electricals Ltd	Sundaram BNP Paribas Floating Rate Fund - LTP	SUNVAL	2.47	—		
		SUNBDS	174.78	25.18		
		STAX	38.70	25.14		
		SMILE	36.86	—		
		Infrastructure development Finance Ltd	Sundaram BNP Paribas Money Fund	CAPEX D	1,012.66	—
				CAPEX G	483.42	—
SFOCUS	14.99			—		
SILF	80.48			—		
SMON	4,729.39			4,813.65		
ITC Ltd	Sundaram BNP Paribas Money Fund Sundaram BNP Paribas Floating Rate Short Term Sundaram BNP Paribas Floating Rate Short Term Sundaram BNP Paribas Fixed Term Plan	SUNGRO	408.58	380.59		
		SFOCUS	517.43	392.20		
		SILF	696.87	437.67		
		SMILE	649.56	420.92		
		SUNMIP	104.34	64.79		
		CAPEX - D	411.48	287.56		
		CAPEX - G	853.81	193.51		
		SUNVAL	3.21	—		
		STAX	239.95	95.37		
		SRURAL	3,229.11	2,475.16		
		SUNTAX	3.89	12.51		
		TAX 98	—*	2.71		
		SUNBAL	17.70	101.81		
Indian Petrochemicals Corpn Ltd	Sundaram BNP Paribas FTP series 9	SUNGRO	257.36	—		
		SRURAL	830.43	—		
		SMILE	198.90	—		
		SUNIP	—*	504.65		

Mahindra & Mahindra Ltd	Sundaram BNP Paribas FTP series 6	Capex - D	725.31	520.49
		CAPEX - G	382.18	350.60
		SUNGRO	194.96	312.89
		SILF	518.87	722.20
		SRURAL	4,232.78	3,594.99
		SFOCUS	1,048.12	1,122.96
		SMILE	428.92	361.31
Maruti Udyog Limited	Sundaram BNP Paribas FTP series 9	SUNVAL	3.24	—
		SFOCUS	390.75	468.73
		SILF	429.17	519.57
		SUNGRO	348.30	247.96
		STAX	162.00	—
Sundaram Fasteners Ltd	Sundaram BNP Paribas Money Fund	SRURAL	4,037.73	—
		SMILE	265.75	208.38
		MIDCAP	704.01	—
		SMILE	176.07	—
Thermax Ltd	Sundaram BNP Paribas FTP Series 3	CAPEXD	1,188.53	1,221.01
		CAPEXG	1,174.93	822.46
		MIDCAP	499.99	1,747.73
		STAX	51.24	138.13
		SRURAL	918.42	1,142.70
Wipro	Sundaram BNP Paribas FTP Series 3	SUNGRO	162.45	23.70
		SILF	1,084.52	616.67
		SUNBAL	—*	77.99
		STAX	51.24	—

* Purchased during 2004 - 05

SUNGRO-Sundaram BNP Paribas Growth Fund
SFOCUS-Sundaram BNP Paribas Select Focus
SGILT-Sundaram BNP Paribas Gilt Fund
SMON- Sundaram BNP Paribas Money Fund
SUNTAX-Sundaram BNP Paribas Tax saver'97
SUNIP-Sundaram BNP Paribas Income Plus
TAX98-Sundaram BNP Paribas Tax saver'98
SUNMIP-Sundaram BNP Paribas Monthly Income Plan
SUNBDS - Sundaram BNP Paribas Bond Saver
SUNBAL-Sundaram BNP Paribas Balanced Fund
STAX-Sundaram BNP Paribas Tax saver Open-ended
SILF - Sundaram BNP Paribas India Leadership Fund
DEBT ST- Sundaram BNP Paribas Select Debt Short Term Asset Plan
DEBT DA- Sundaram BNP Paribas Select Debt Dynamic Asset Plan
SFRF-STP -Sundaram BNP Paribas Floating Rate Fund -Short Term Plan
SFRF-LTP - Sundaram BNP Paribas Floating Rate Fund -Long Term Plan
SMILE - Sundaram BNP Paribas Small and Medium Indian Leading Equities Fund
SUNVAL - Sundaram BNP Paribas Value Plus
FTP - Sundaram BNP Paribas Fixed Term Plan
CAPEXD - Sundaram BNP Paribas Capex Opportunities Fund - Dividend
CAPEXG - Sundaram BNP Paribas Capex Opportunities Fund - Growth

The investment made in the schemes keeping in view of the fundamentals and long term prospects of the company

4. Borrowing by the Mutual Fund

The Mutual Fund has not resorted to any borrowings till date. However, the Scheme shall have powers to borrow to meet temporary liquidity needs for the purpose of repurchase, redemption of units, or payment of interest or dividend to the unitholders as permitted under the SEBI Regulations. Further, as per SEBI Regulations, the Scheme shall not borrow more than 20% of the Net Assets and the duration of such borrowing shall not exceed six months. The Scheme under such circumstances may borrow from any body corporate or a bank or from

any other person at the prevailing interest rates. The Scheme may decide to offer such collateral security as may be necessary under the circumstances. This may result in a reduction in the overall portfolio returns during the currency of the borrowing in case the cost of borrowing is higher than the portfolio rate of return.

5. Inter- Scheme Transfers

A transfer of traded securities from one scheme to another scheme of the Mutual Fund can be effected at the prevailing market prices on spot basis. In the case of any security not traded on a stock exchange, the transfer can be effected on fair valuation basis to be arrived by the AMC. Such transfers would be done in conformity with the objectives of the Schemes and SEBI Regulations.

6. Inter-Scheme Investments

This Scheme may invest in any other scheme having similar investment objective under the same Asset Management Company or any other mutual fund without charging any fees, provided that the aggregate inter-scheme investments made by all schemes under the same management or in schemes under the management of any other Asset Management Company shall not exceed 5% of the Net Asset Value of the investing Mutual Fund. Such investments shall be made from time to time on the merits of the proposal. As and when any changes are made to SEBI Regulations with respect to the aforesaid percentage or charging of fees with respect to such inter-scheme investments, the same will apply.

7. Investment by the AMC

The AMC may invest in the Scheme depending upon its cash flows and investment opportunities. In such an event, the AMC will not charge management fees on its investment for the period the it is retained in the Scheme.

The investment by the AMC shall not exceed 25% of the net assets of the Scheme on the date of investment.

Scheme Name	Value as on 30.11.2006 (Rs. in Lakhs)
Sundaram BNP Paribas India Leadership Fund (D)	50.00
Sundaram BNP Paribas Balanced Fund (D)	150.00
Sundaram BNP Paribas Select Focus (D)	25.00
Sundaram BNP Paribas Select Midcap (D)	25.00
Sundaram BNP Paribas Growth Fund (D)	50.00
Sundaram BNP Paribas Money Fund – Institutional Plan	10.00
Sundaram BNP Paribas Fixed Term Plan	400.00
Sundaram BNP Paribas Capex Opportunities Fund	10.00

8. Dividends and Distributions

The Board of Trustees may decide and declare a dividend. However, it must be distinctly understood that the actual declaration of dividends under the Scheme and the frequency thereof will, inter alia depend upon the disposable surplus of the Scheme. The decision of the Board of Trustees in this regard shall be final.

The dividend that may be paid out of the net surplus of the Scheme will be paid only to those Unitholders whose names appear in the register of Unitholders on the notified record date.

9. Penalties & Pending Litigations

1. No penalties have been awarded by SEBI under the SEBI Act or any of its Regulations against the sponsor of the Mutual Fund or any company associated with the sponsor in any capacity including the AMC, Trustees or any of the directors or any key personnel (specifically the fund managers) of the AMC and Trustees. No penalties have been awarded on the Sponsor and its associates by any financial regulatory body, including stock exchanges, for defaults in respect of shareholders, debenture holders and depositors. No penalties have been awarded for any economic offence and violation of any securities laws.
2. There are no pending material litigation proceedings incidental to the business of the Mutual Fund to which the sponsor of the Mutual Fund or any company associated with the sponsor in any capacity including the AMC, Trustees or any of the directors or key personnel of the AMC is a party. Further, there are no pending criminal cases against the Sponsor or any company associated with the sponsor in any capacity including the AMC, Trustees or any of the directors or key personnel.
3. There is no deficiency in the systems and operations of the sponsor of the Mutual Fund or any company associated with the sponsor in any capacity, including the AMC which SEBI has specifically advised to be disclosed in the Offer Document, or which has been notified by any other regulatory agency.
4. There are no enquiries or adjudication proceedings under the SEBI Act and the Regulations made thereunder, which are in progress against any company associated with the sponsor in any capacity including the AMC, Trustees or any directors or key personnel of the AMC.

10. Documents available for Inspection

The following documents are available for inspection to the Unitholders at the Corporate Office of Sundaram BNP Paribas Asset Management Company Limited at Chennai:

- Trust Deed of Sundaram BNP Paribas Mutual Fund
- Copy of the Registration Certificate
- Investment Management Agreement
- Memorandum and Articles of Association of Sundaram BNP Paribas Asset Management Company Limited
- Custodian Agreement
- Letter of Appointment of the Registrar
- SEBI (Mutual Funds) Regulations, 1996
- Indian Trusts Act, 1882
- The Companies Act, 1956

11. APPROVAL BY THE BOARD OF TRUSTEES

The original Offer Document was approved by the Board of Trustees of Sundaram Mutual Fund at their meeting held on January 31, 2006. Notwithstanding anything contained in the offer document the provisions of the SEBI (Mutual Funds) Regulations, 1996 and the Guidelines thereunder shall be applicable."

For and on behalf of the Board of Directors of
SUNDARAM BNP PARIBAS ASSET MANAGEMENT COMPANY LIMITED
Place : Chennai
Date : 20/12/2006

T P Raman
Managing Director

Sundaram BNP Paribas Select Small Cap

Serial No. **SBNPPSSC**



SUNDARAM BNP PARIBAS
MUTUAL

BROKER/AGENT NAME & CODE	SUB-BROKER'S NAME & CODE	COLLECTING CENTRE STAMP & SIGN	DATE & TIME OF RECEIPT	REGISTRAR'S SERIAL NO. <small>MIN (For applications equal to & above Rs.50,000)</small>

1. Existing Unit holder

a. Are you making a purchase into an existing folio? (Please ✓) Yes No. Folio Number
(If yes, Please note that investment details and mode of holding will be as per existing folio number. • If you have provided a Folio Number please fill in only Section 2a and then proceed to Section 4.)

2. Unit holder Information (Write in block letters . Leave space between words)

a. Full Name of First/Sole Applicant (as it appears in your bank account) Salutation Mr. Ms. Dr. Prof

PAN No. Investor MIN No. PA holder MIN No. Date of Birth

Full Name of Father Husband Guardian (in the case of minor) Contact person (in the case of Corporate) please tick the applicable Salutation Mr. Ms. Dr. Prof

Full Name of Second Applicant Salutation Mr. Ms. Dr. Prof

PAN No. Investor MIN No. PA holder MIN No.

Full Name of Third Applicant Salutation Mr. Ms. Dr. Prof

PAN No. Investor MIN No. PA holder MIN No.

(As per SEBI regulations, PAN number must be provided for all unit holders, if the purchase amount is Rs.50,000/- and above, failing which the transaction is liable to be rejected. Please also provide a copy of the PAN card for validation. In case you are not having a PAN then please furnish your declaration in Form 60.

b. Mode of Holding Single Joint Anyone or Survivor (default option – anyone or survivor)

c. Mailing Address Home Office (P.O.Box Address is not sufficient)

Location PIN
City
State Country

d. Mailing Address Home Office (Overseas address in case of NRIs/FIIs)

Location PIN
City
State Country

e. Contact Particulars

Tel: Office Residence
Fax E-mail

Contact Person's Name.....(for non-individuals)

f. Are you applying as Individual Partnership Public Ltd. Co. On behalf of Minor HUF Proprietorship
 Trust Pvt. Ltd. Co. Society NRI Repatriation Non-Repatriation Others _____

g. Do you want a PIN assigned to you? (This PIN will allow you access to your account via the internet) Yes No



SUNDARAM BNP PARIBAS
MUTUAL

Second Floor, 46 Whites Road,
Chennai - 600 014
Ph : (044) 28583362, 28583367, 28585606

Acknowledgement

Serial No. **SBNPPSSC**

Received From Mr./Mrs./Ms.

Address

ISC's Signature & Stamp

All future communication in connection with the application should be addressed to the Registrar **Karvy Computershare P Ltd**, Karvy Plaza, 8-2-596 Avenue 4, Street, No. 1, Banjara Hills, Hyderabad - 500 034. Telephone: (040) 23312454 quoting full name of Sole/First applicant, Application Serial No., Date, Name of the Bank and Branch or Centre where it was lodged.

Cheques/Drafts are subject to realisation

Instructions

FORM NO. 60

[See second provision to rule 114B]

SECTION - 1

All applicants must complete section 1. Name and address must be given in full. All communication and payments will be made to the first applicant or to the Karta in the case of a Hindu Undivided Family (HUF).

- Applicants who have ticked the mode of holding as 'Single' in section 1(b) may nominate a successor to receive units upon his/her death.
- If the mode of holding in section 1(b) has been specified as 'joint' the first named holder shall receive all account statements, redemption/refund warrants and any other correspondence sent from time to time. In case of an application under a Power of Attorney or by a limited company or a body corporate or a registered society or a trust or a partnership, the relevant Power of Attorney or the relevant resolution or authority to make the application and the Trust Deed or the Partnership Deed as the case may be, or duly certified copy thereof, along with the Memorandum and Articles of Association and/or bye-laws must be lodged along with the Application Form at the Registrar's office in Hyderabad within seven days from the date of application, quoting the details of the application. Sole Proprietary firms may submit a completed nomination form to enable transmission of units in the event of death of the sole Proprietor. In case of HUF, a list of all co-parceners together with their dates of birth and specimen signatures must be lodged at the Registrar's office within seven days. Applicants who request a Personal Identification Number (PIN) by ticking the box in section 2(g) will be sent a PIN agreement, which will be mailed separately. This PIN allows you to access your account information via the Internet.

Unitholder information (Mandatory)

Permanent Account Number (PAN) If the amount of investment is Rs. 50,000/- or more, please furnish your PAN details and enclose a photocopy of PAN Card/PAN allotment letter of all applicants. If you do not have a PAN, please furnish your declaration in Form 60. We advise all applicants to provide this number irrespective of the application amount.

SECTION - 2

Please tick the box if you would like to receive your redemption payment under the following mode.

- Direct Credit to your bank account; this facility is available with select banks (****).
- Warrants/Drafts (The warrants/drafts will be payable only at cities where Customer Service Centres of Sundaram BNP Paribas Mutual are located).

SECTION - 3 & 4

In order to protect the interest of the investors from fraudulent encashment of refund / redemption cheques, the current SEBI guidelines require that refund orders/redemption cheques specify the name of the investor, bank name and account number where the cheque is intended to be credited. Investors are advised in their interest to provide the name of the bank, address of the branch, account type and account number for remittance of redemption amount. The Trustees / Investment Manager will not be responsible for any loss arising out of fraudulent encashment of cheques or delay/loss in transit. Investors must write the application form number/folio number on the reverse of the cheque / bank draft accompanying the application form.

SECTION - 5

The minimum purchase amount is Rs. 5000/- and in multiples of Rs.500/-. Please note that if you do not tick the investment Plan / Option box of the relevant scheme in Section 2b for mode of holding and in Section 5 for investment plan /option, the default option will be made applicable as under:

Indication not made	Default
Mode of holding in case of more than one applicant.	Anyone or Survivor
Sub Option- Growth /Dividend	Growth Option

Mode of Payment: The cheque/bank draft should be drawn in favour of Sundaram BNP Paribas Select Small Cap and crossed "A/c Payee only". DD charges will be absorbed by the fund according to SBI Guidelines.

SECTION - 6

Signature may be in English or in any Indian language. Thumb impressions must be attested by a Magistrate/Notary Public under his/her official seal. In case of HUF the Karta should sign on behalf of the HUF.

SECTION - 7

Prevention of Money Laundering

In terms of the Prevention of Money Laundering Act, 2002, the Rules issued there under and the guidelines/circulars issued by SEBI regarding the Anti Money Laundering (AML Laws), all intermediaries, including Mutual Funds, have to formulate and implement a client identification programme, verify and maintain the record of identity and address (es) of investors.

In order to make the data capture and document submission easy and convenient for the investors, Mutual Fund Industry has collectively entrusted this responsibility of collection of documents relating to identity and address and record keeping to an independent agency (presently CDSL Ventures Limited) that will act as central record keeping agency ('Central Agency'). As a token of having verified the identity and address and for efficient retrieval of records, the Central Agency will issue a Mutual Fund Identification Number ('MIN') to each investor who submits an application and the prescribed documents to the Central Agency.

Investors who have obtained the MIN can invest in the schemes of the mutual fund by quoting the MIN in lieu of submitting information and documents required under AML Laws.

Mutual Fund Identification Number

Investors who wish to obtain a MIN have to submit a completed Application Form for MIN ('MIN Form') along with all the prescribed documents listed in the MIN Form, at any of the Point of Service ('POS'). The MIN Form is available at our website (www.sundarambnp-paribas.in) and AMFI website (www.amfiindia.com). POS are the designated centres appointed by the Central Agency for receiving application forms, processing data and allotment of MIN. List of and location of POS is available at our website (www.sundarambnp-paribas.in) and www.amfiindia.com. On submission of application, documents and information to the satisfaction of the POS, the investor will be allotted a provisional MIN across the counter. Subsequently, the Central Agency will scrutinize the information and documents submitted by the investor, and confirm the MIN. However, the Central Agency may cancel the MIN within 15 working days from the date of allotment of provisional MIN, in case of any deficiency in the document/information. Intimation on cancellation of MIN will be dispatched by the Central Agency to the investor immediately. No communication will be sent to the investor if the MIN as allotted is confirmed.

Presently, it is mandatory for all applications for subscription of value of Rs.50,000/- and above to quote the MIN of all the applicants (guardian in case of minor) in the application for subscription. The MIN will be validated with the records of the Central Agency before allotting units. Applications for subscriptions of value of Rs.50,000/- and above without a valid MIN may be rejected.

In the event of any MIN Application Form being subsequently rejected for lack of information / deficiency / insufficiency of mandatory documentation, the investment transaction will be cancelled and the amount may be redeemed at applicable NAV, subject to payment of exit load, wherever applicable. Such redemption proceeds will be despatched within a maximum period of 21 days from date of acceptance of application. (In case of an ELSS Scheme or a New Fund Offer, allotment will be done only on confirmation from the Central Agency that the MIN is final and if the Central Agency informs that the MIN is cancelled, the original amount invested will be refunded).

All investors (both individual and non-individual) can apply for a MIN. However, applicants should note that minors cannot apply for a MIN and any investment in the name of minors should be along with a Guardian, who should obtain a MIN for the purpose of investing with a Mutual Fund. Also, applicants / unit holders intending to apply for units / currently holding units and operating their Mutual Fund folios through a Power of Attorney (PoA) must ensure that the issuer of the PoA and the holder of the PoA must mention their respective MIN at the time of investment above the threshold. PoA holders are not permitted to apply for a MIN on behalf of the issuer of the PoA. Separate procedures are prescribed for change in name, address and other MIN related details, should the applicant desire to change such information. POS will extend the services of effecting such changes.

All the other terms and conditions of the respective schemes' Offer Documents will remain unchanged. This addendum forms an integral part of the Offer Documents of the respective schemes, read with the addenda issued from time to time.

Applicants / Unit holders may contact our Investor Service Centers / their distributors, if any for any additional information/clarifications. Also, please visit our website www.sundarambnp-paribas.in for any other related information.

SECTION - 8

Please fill in this section should you wish to nominate someone.

General

The investor is aware that the mutual fund needs to use intermediaries such as the post office, local and international couriers, banks and other intermediaries for correspondence with the investor and for making payments to the investors by cheques, drafts, warrants, through ECS etc. The investor expressly agrees and authorises the mutual fund to correspond with the investor or make payments to the investor through intermediaries including but not limited to post office, local and international couriers and banks. The investor clearly understands the mutual fund uses such intermediaries as agents of the investor and not that of the mutual fund/AMC. The mutual fund is not responsible for delayed receipt or nonreceipt of any correspondence or payment through such intermediaries.

Form of declaration to be filed by a person who does not have either a permanent account number and who enters into any transaction specified under rule 114B

- Full name and address of the declarant.....
.....
.....
- Particulars of transaction:.....
- Amount of the transaction:.....
- Are you assessed to tax? Yes No
- If yes,
 - Details of Ward/ Circle/ Range where the last return of income was filed?
.....
 - Reasons for not having permanent account number/General Index Register Number?.....
- Details of the document being produced in support of address in column (1)
.....

Verification

I, do hereby declare that what is stated above is true to the best of my knowledge and belief. Verified today,the day of

Date :.....

Place :.....

Signature of the declarant.....

Instructions : Documents which can be produced in support of the address are :-

- Ration Card
- Passport
- Driving licence
- Identity Card issued by any institution
- Copy of the electricity bill or telephone bill showing residential address
- Any document or communication issued by any authority of Central Government, State Government or local bodies showing residential address
- Any other documentary evidence in support of his address given in the declaration.

DIRECTORY

SPONSOR

Sundaram Finance Limited

Registered Office: 21 Pattulos Road,
Chennai-600 002
Telephone: (044) 28521181
Fax: (044) 28520456

BNP Paribas Asset Management

5, Avenue Kleber,
75116, Paris, France

Investment Manager

Sundaram BNP Paribas Asset Management Company Limited

Registered Office: 21 Pattulos Road,
Chennai-600 002
Corporate Office
Sundaram Towers II Floor
46 Whites Road
Royapettah Chennai 600014
Telephone: (044) 28583362,
28583367
Fax: (044) 28583156

Registrar

Karvy Computershare Private Limited

Karvy Plaza, 8-2-596 Avenue 4, Street
No.1, Banjara Hills
Hyderabad-500 034
Telephone: (040) 23312454

Auditors of Sundaram BNP Paribas Mutual Fund

M/s Sundaram & Srinivasan

Chartered Accountants
23 C P Ramaswamy Road
Alwarpet, Chennai - 600 018
Telephone: (044) 24970762

TRUSTEES

Sundaram BNP Paribas Trustee Company Limited

Registered Office: 21 Pattulos Road,

Chennai-600 002

Corporate Office
Sundaram Towers II Floor
46, Whites Road
Royapettah Chennai 600014
Telephone: (044) 28583362,
28583367
Fax: (044) 28583156

Investor Relations Manager S Balasubramanian

Head - Transaction Processing &
Customer Services

Sundaram BNP Paribas Asset
Management Company Limited
Corporate Office
Sundaram Towers II Floor
46 Whites Road
Royapettah Chennai 600014
Telephone: (044) 28583362,
28583367
Fax: (044) 28583156

Custodian

Standard Chartered Bank

24-25 M. G. Road
Fort, Mumbai 400 0023

Legal Counsel

T. K. Bhaskar,
Partner,
HSB Associates,
New No.: 388, Lloyds Road, Chennai.
**Auditors of Sundaram BNP Paribas
Asset Management Company Limited**
M/s Brahmaya & Co.
Chartered Accountants
48, Masilamani Road, Balaji Nagar,
Royapettah, Chennai 600 014.
Ph: 044-28131128

Sundaram BNP Paribas Mutual - Branch Addresses

Ahmedabad: 104, Arth Complex, Behind A.K. Patel House, Mithakali Six Roads, Navarangapura, Ahmedabad 380009. Ph: 079-66613337/26440442 **Bangalore:** 1st Floor, Maangalaya Punarbhav, 132, Brigade Road, Next to Raheja Chancery, Bangalore 560025. Ph: 080-22076707/22126850 **Baroda:** 127, I floor, Siddharth Complex, Near Express Hotel, R.C.Dutt Road, Alkapuri, Baroda 390007 Ph: 0265-2320671 / 3203204 **Bhopal:** Plot No. 10&11, 3rd floor, Alankar palace, Bank street, M.P.Nagar, Bhopal 462011. Ph: 0755-3203306 **Bhubaneswar:** C/o. Sundaram Finance Ltd, 1st Floor, "Aditya Plaza", 102, Bhoumanagar, Unit No. 4, Bhubaneswar 751001. Ph: 0674-3208280 / 9337024917 **Calicut:** 3rd Floor, 17/501 R2, Kanchas Building, Rajai Road, Calicut, 673001. Mob:09847582339 **Chandigarh:** SCO-2475-2476, 2nd Floor, Sector 22C, Chandigarh-160022. Ph: 0172-5009166/5019166 **Chennai Sales Office:** O No 9, N No 23 Mootha Centre, Kodambakkam High Road, Chennai 600034. Ph: 044 28237262/28237363 **Chennai - H.O.:** Sundaram Towers, II Floor 46, Whites Road, Royapettah, Chennai - 600014. Ph: 044 - 28583362 / 28569900 **Cochin:** The Monarch, I Floor, P.T.Usha Road, Emakulam, Cochin 682011. Ph: 9947045339 **Coimbatore:** No 41-A, I Floor, West Lokmanya Street, R.S.Puram, Coimbatore 641002. 0422-4360058/2542816 **Dehradun:** C/o Sundaram Finance Ltd., 57/19, II Floor, Shiva Palace, Rajpur Road, Dehradun 248001. Ph: 0135-3203262 / 9719166626 **Durgapur:** Unit No.A, 311, II Floor, Durgapur City Centre, Durgapur 713216 Ph: 9330993702 **Guwahati:** Kejriwal Bhawan, 2nd Floor, Opposite Janta Hotel, G.S. Road, Guwahati 781001. Ph: 9954166281 **Hyderabad:** V V Vintage Boulevard, F.No.203, 2nd Floor, Raj Bhavan Road, Somajiguda, Hyderabad 500082. Ph: 040-23393669/23390815/23397600 **Indore:** 125, Starlit Towers, 29/1 Y.N.Road, Indore 452001. Ph: 0731-3203204 **Jaipur:** 303, 3rd Floor, Brij Anukampa Towers, Ashok Marg, C-Scheme, Jaipur 302011. Ph: 0141-5118364/3213853 **Jalandhar:** C/o Sundaram Finance Ltd., 5E, 1st Floor, Session Court Road, Near BMC Chook, Jalandhar 144001. Ph: 9872120037 **Jodhpur:** C/o Sundaram Finance Ltd., 120, I Floor, Mody Arcade, Chopasany Road, Near Bombay Motors, Jodhpur 342003. Ph: 9314613766 **Kanpur:** 2nd Floor, 218, 219 Kan Chambers, 14/113, Civil Lines, Kanpur 208001. Ph: 0512-3018530/3013530 **Kolkata:** "Lords Building", 7/1 Lord Sinha Road, Room No: 312, 3rd Floor, Kolkata 700071. Ph: 033-30580160 / 61 / 62 / 63 / 22816707 / 22835504 **Lucknow:** 210A 2nd Floor, Saran Chambers-2, 5, Park Road, Lucknow 226001. Ph: 0522-3017782/3017783/09415109859 **Ludhiana:** SCO - 18, 3rd Floor, No; 307, Feroze Gandhi Market, Opp. Ludhiana Stock Exchange, Ludhiana-141001. Ph: 0161-3018500 / 9876197320 **Madurai:** No: 183C, North Veli Street, Opp: Duke Hotel, Madurai 625001. Ph: 0452-4376801/4377478 **Mumbai:** 602-603, 6th Floor, Dalamal House, Nariman Point, Mumbai 400 021. Ph: 022-22842878 / 22842879 / 22833863 / 22842832 **Nagpur:** C/O Fortune Business Centre, I Floor, 6 Vasant Vihar, W H C Road, Shankar Nagar, Nagpur-440010. Ph: 0712-2558581 Mob: 09822832030 **Nashik:** L-17, Suyojit Sankul, Near Rajiv Gandhi Bhavan, Sharanpur Road, Nashik 422002. Ph: 9326788990 **New Delhi:** 605, 6th Floor, Ashoka Estate, 24, Barakhamba Road, New Delhi 110 001. Ph: 011-41515138 / 41515139 **Patna:** 205, Ashiana Hari Niwas, New Dak Bunglow Road, Patna 800001. Ph: 0612-3200593 **Pondicherry:** C/o. Sundaram Home Finance Ltd, 40, Mission Street, Pondicherry 605001. Ph: 9443090091 **Pune:** 1st Floor, Rachana Trade Estate, Erandwane, Opp Swad Hotel, Pune 411004. Ph: 020-30280927 / 29 / 30 **Raipur:** Millennium Plaza, Office No. 26 III Floor, Behind Indian Coffee House, Raipur-492001. Mobile: 09893313588 **Rajkot:** C/o. Sundaram Finance Ltd, Flat No. 113, I Floor, Umesh Coml Complex, Near Chowdry High School, Kasturba Road, Rajkot 360 001. Ph: 98250 48797 **Salem:** New No.210 Old No315C, AVK Arcade, Omalur Main Road, Opp, to New Bus Stand, Salem 636004. Ph: 0427-4042827 / 9843081847 **Surat:** L-14, Jolly Plaza, Opp- Athwa Gate Police Station, Athwa Lines, Surat 395001. Ph: 0261-2461384 / 85 **Trichy:** Krishna Complex, 1st Floor, 60, Shastry Road, Tennur, Trichy 620071. Ph: 0431-2741509/4020828 **Trivandrum:** "Uttaradam", TC 26/1309(4), Above Rohini Tyres, Panavilla Junction, Trivandrum 695001. Ph: 9847089134 **Vellore:** First Floor, TKM Complex, 46 - 51, Katpadi Road, Vellore 632 004. Ph: 09843242336 **Vijayawada:** D.No. 40-10-5, Sree Ramachandra Complex, Benz Circle, Bajaj Showroom Lane, Vijayawada 520010. Ph: 0866-2470778 / 9848032734 **Vizag:** 47-10-10, 2nd Floor Rednam Regaency, Near Diamond Park, Dwarakanagar, Visakhapatnam 530016. Ph: 0891-3209440 / 98480 35892