

It starts with a grain of sand.
It ends as a perfect pearl.



PRODUCT UPDATE

February 2008

Sundaram BNP Paribas India Leadership

CRISIL
CPR~2

INVESTMENT OBJECTIVE

Tap the growth opportunity presented by the leading players in India Inc. with a bias towards promising sectors.

Benchmark: NIFTY

Characteristics

**Leaders
(not just by size)
Large-cap tilt
Diversified**

**No floor or cap on
number of stocks**

- ❖ **Top two or three players in any sector or sub-sector**
- ❖ **Emerging leaders (up to 35%)**
- ❖ **Mid caps About 30%**
- ❖ **Stock limit: 5%**

**Emerging
leaders**

**Existing
leaders**

PORTFOLIO

**Switch between
large and mid**

**Macro
follow-on
theme**

SUITABLE FOR INVESTORS WHO

- Believe that the leaders are resilient to economic cycles and can show long term sustained growth relative to near-term
- Investment horizon of more than four years

FEATURES

- Avenue to invest in companies that are either leaders or likely to emerge as potential leaders over a five-to-ten year period
- We seek leadership stocks or potential ones on parameters such as size, efficiency, geography, and niche market dominance, and we also go across market-cap spaces
- Investments are made with a three- to five- year horizon
- Investment universe comprises mostly of well-known names that provide a high degree of visibility on revenues and earnings
- Institutional ownership is high in stocks that form part of our portfolio
- Performance likely to be superior when markets lack depth
- Downside risk is managed through exposures in a large number of stocks
- Seeks promising stocks that offer lesser degree of risk
- Returns may vary from the benchmark, as the fund does not replicate its benchmark the Nifty
- Emerging leaders have the potential to boost returns over the long term

Risk grid

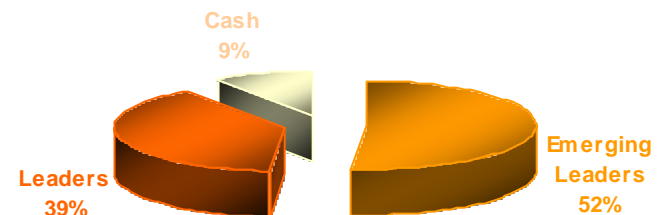
Mid caps Diverse portfolio Large caps

Mid-cap picks

Bharat Bijlee
Rajesh Exports
Flat Products Equipments

Current themes

Financial Services
Energy
Engineering

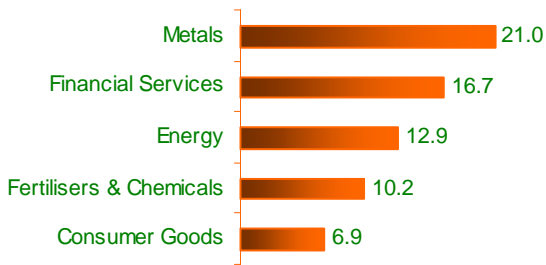


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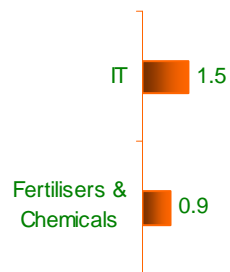
Focus on frontline players to optimize returns and curtail risk

J Venkatesan, Portfolio Manager

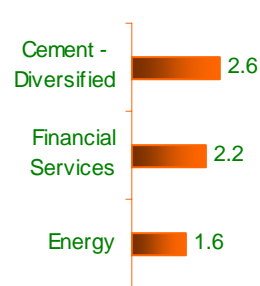
Our Preferred Sectors



We enhanced in..



and reduced ...



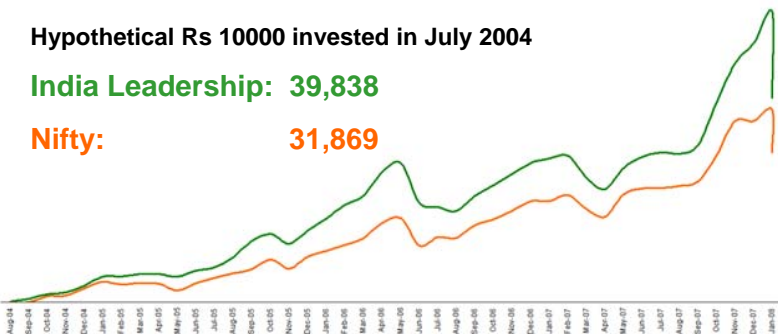
Top Picks

Company	Feb	Jan
Reliance Industries	4.1	3.7
S B I	4.1	4.4
Union Bank of India	3.9	4.1
Sterlite	3.2	2.9
Tata Steel	3.1	2.9
Reliance Capital		3.5

Hypothetical Rs 10000 invested in July 2004

India Leadership: 39,838

Nifty: 31,869



Relative to Benchmark since launch



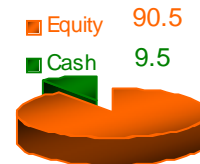
Enhanced & Entrant*

Reduced & Exits*

Canara Bank*	1.3	Essar Oil*	1.1
Infosys*	1.5	JP Associates	1.7
Punj Lloyd	0.7	Reliance Capital*	3.5

Risk Measures

Standard Deviation:	8.44	Correlation:	0.90
Beta	1.09	Alpha:	0.28
Sharpe:	0.31	Treynor:	2.43
Information Ratio:	0.13	Tracking Error:	3.66
Portfolio Turnover:	244.64	Risk Free Rate:	7.60



Top 5 20% Top 10 33%

Returns (in %)

Fund

Nifty Index

SIP

Lifetime (Annualised)	45.8	39.6	39.6
One Year	45.7	39.5	32.0
Six Months	23.2	17.0	-4.7
Year-to-date	-22.0	-14.9	-
One Month	1.9	1.7	-

Growth NAV : 39.84

Dividend NAV: 14.48

Data source : Bloomberg; Computation: In-house

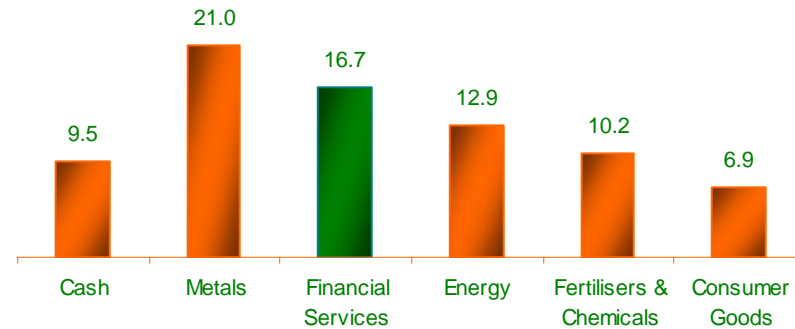
Size : Rs 208 Crore

Holdings : 57

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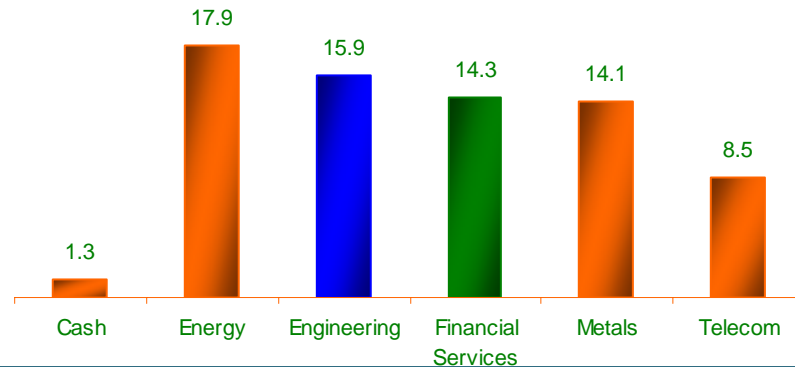
- The fund continues to maintain exposures to leaders & emerging leaders across sectors and cap curve.
- The portfolio has a large-cap bias. Top sector picks are financial services, metals and fertilizers & chemicals.
- The portfolio is geared towards high growth sectors.
- Key underweight positions are energy (despite sizeable holding), IT and telecom.
- Sector preferences are positioned to play the infrastructure, resources and demographic themes.

Now



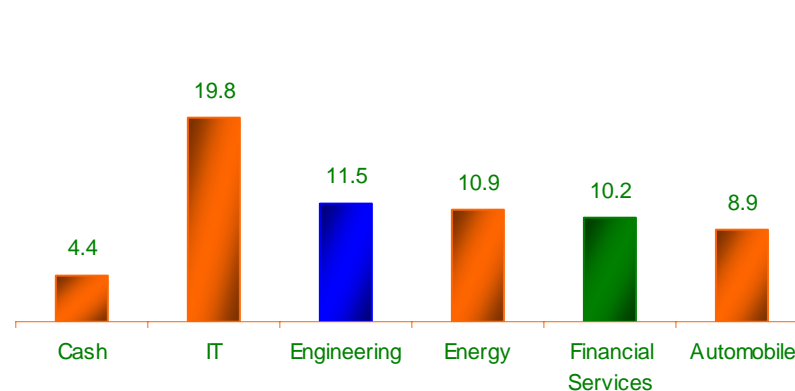
Reliance Industries	4.1
S B I	4.1
Union Bank of India	3.9
Sterlite	3.2
Tata Steel	3.1

Six Months Ago



Reliance Industries	8.4
Reliance Comm	5.8
S B I	5.3
Bharti Airtel	4.8
L & T	4.8

One Year Ago



R I L	5.8
Infosys	5.3
Rel Comm	4.7
O N G C	3.5
Satyam	3.2

All figures are as % of assets as of relevant date