Capital appreciation across market cycles

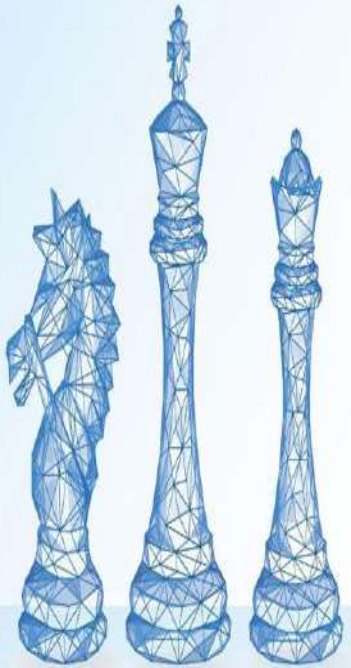
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SUNDARAM INDIA SECULAR OPPORTUNITIES PORTFOLIO

S. I. S. O. P.

April 2026

Portfolio Management Services benchmarking the S&P BSE 500 Index



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01

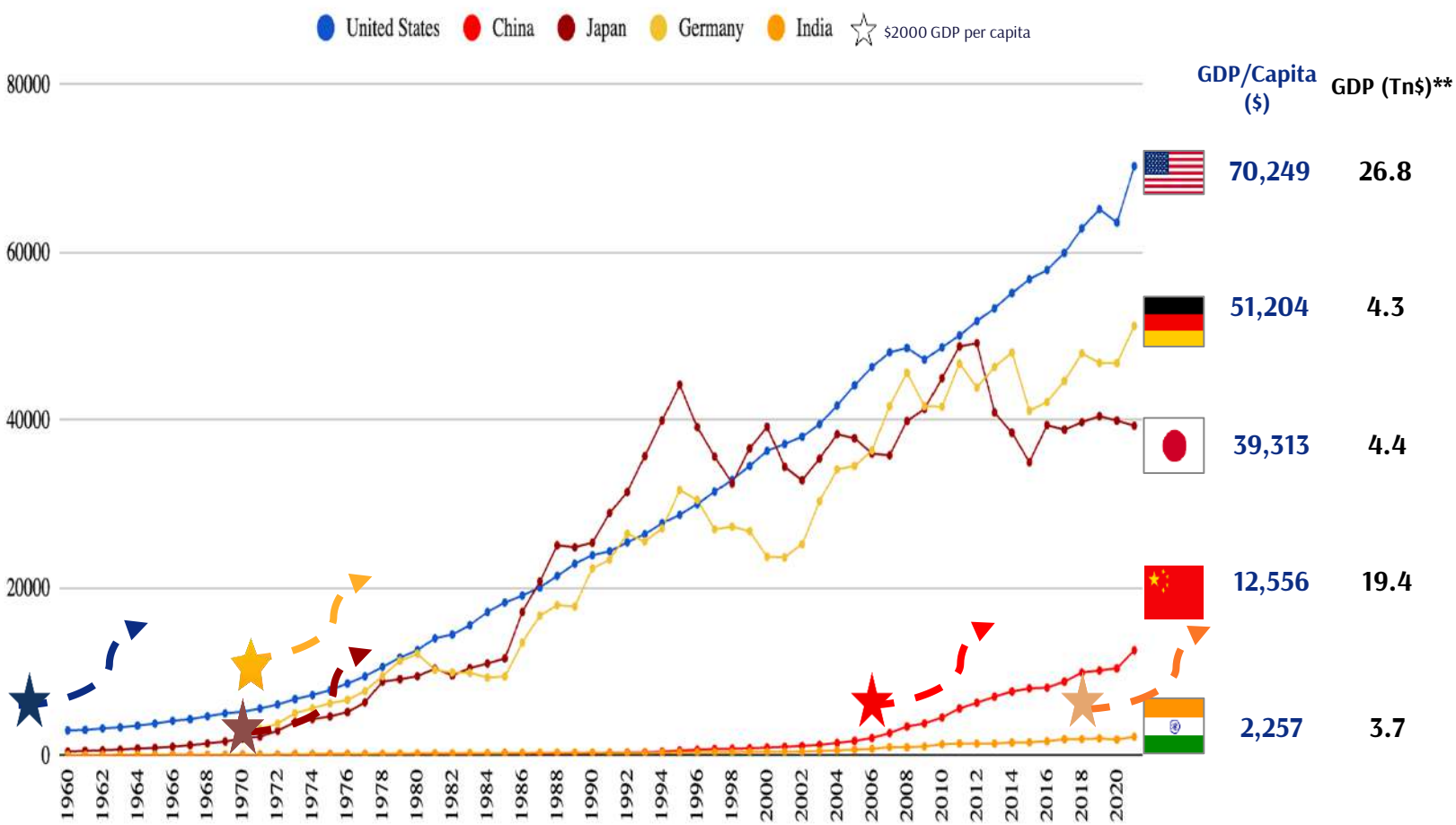
Structural shifts in the world's leading economies



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How structural changes unfolded in world's leading economies?

Before and after Per capita GDP($) cross threshold mark of $2000 for world's top 5 economies



	GDP/Capita ($)	GDP (Tn$)**
	70,249	26.8
	51,204	4.3
	39,313	4.4
	12,556	19.4
	2,257	3.7

With GDP per capita at the inflection point, India is set to witness a steep growth runway, similar to the world largest economies.

Source *- World Bank
Source **- IMF Est.

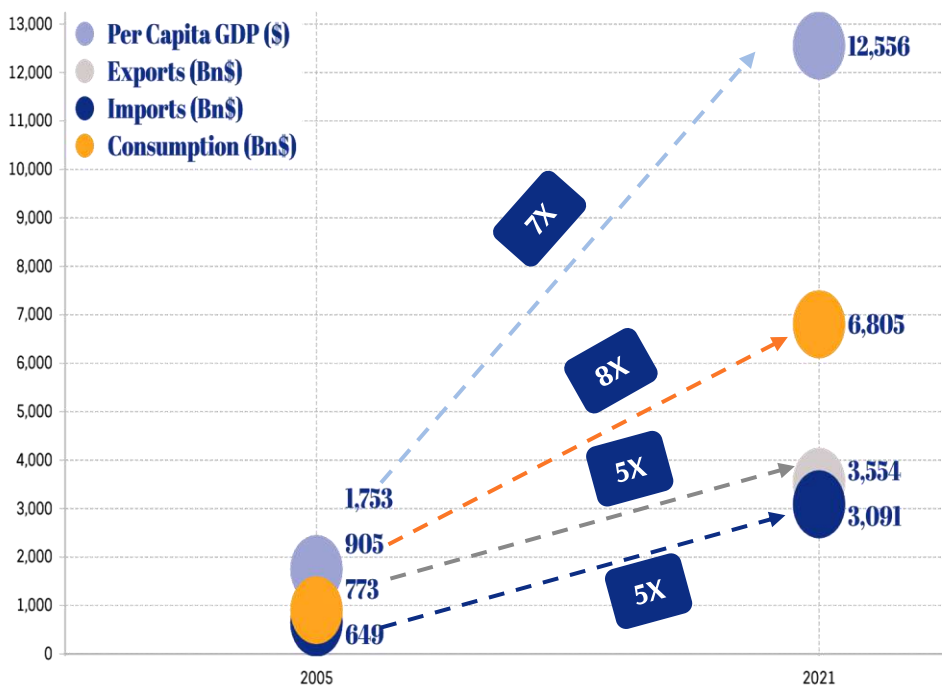
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A closer look at what transpired in China & USA

All output parameters indicate a steep curve : Economic supercycle

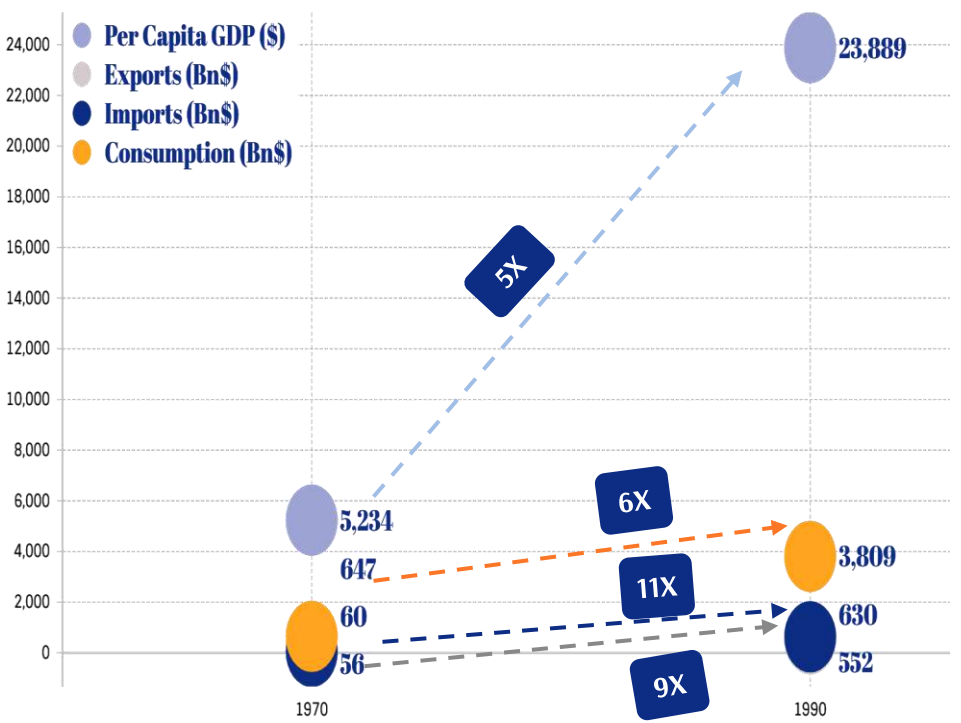
Journey post $2000/capita GDP: China

China's growth attained its inflection point as soon as it crossed $2,000 GDP per capita in **2006**.



Journey post $2000/capita GDP: USA

USA crossed the $2,000 GDP per capita in **1950s**, but reached the inflection point in **2 decades**



Decades post the threshold GDP is crossed have witnessed sharp uptake in multiple economic indicators

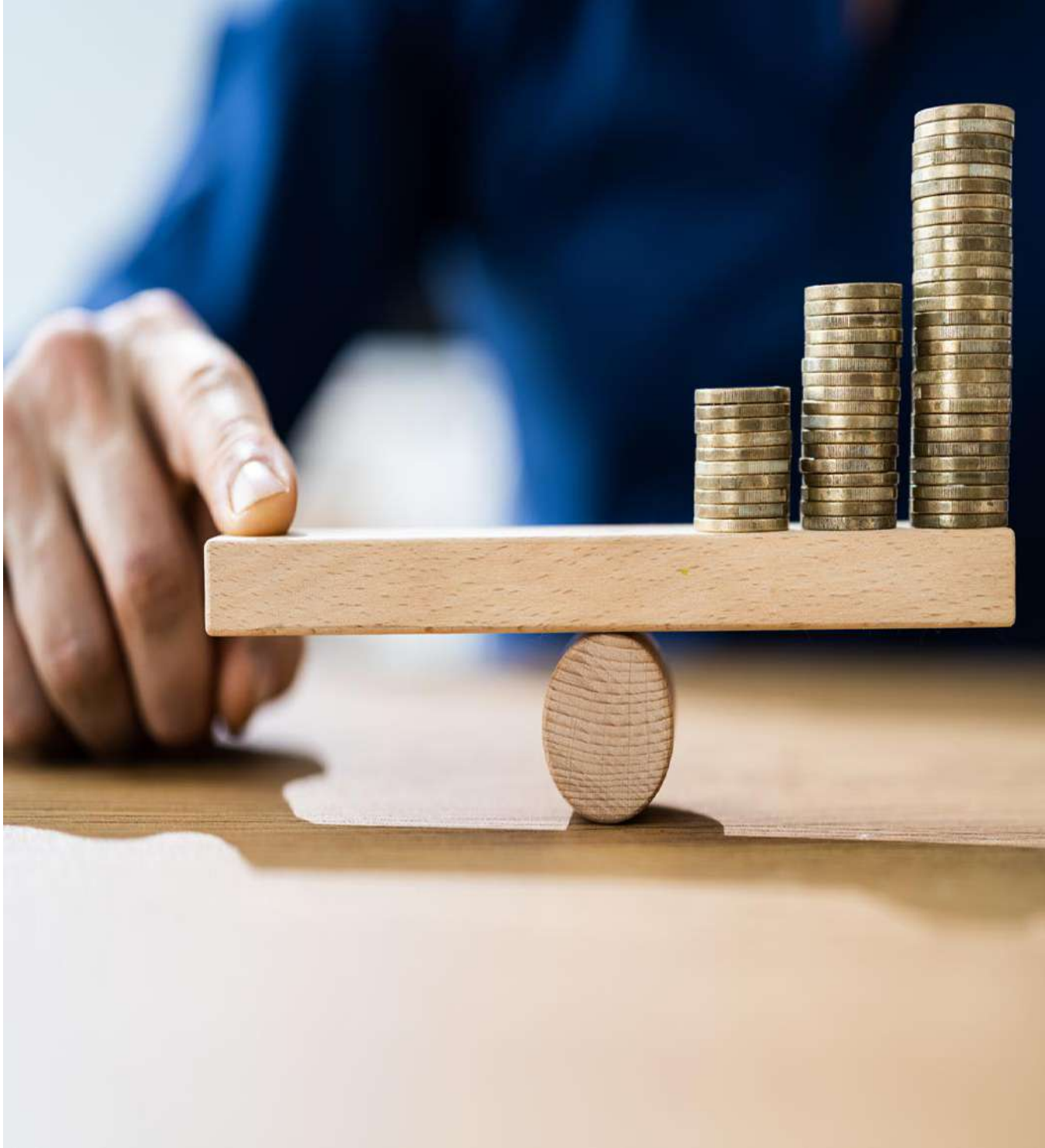
Source - World Bank

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02

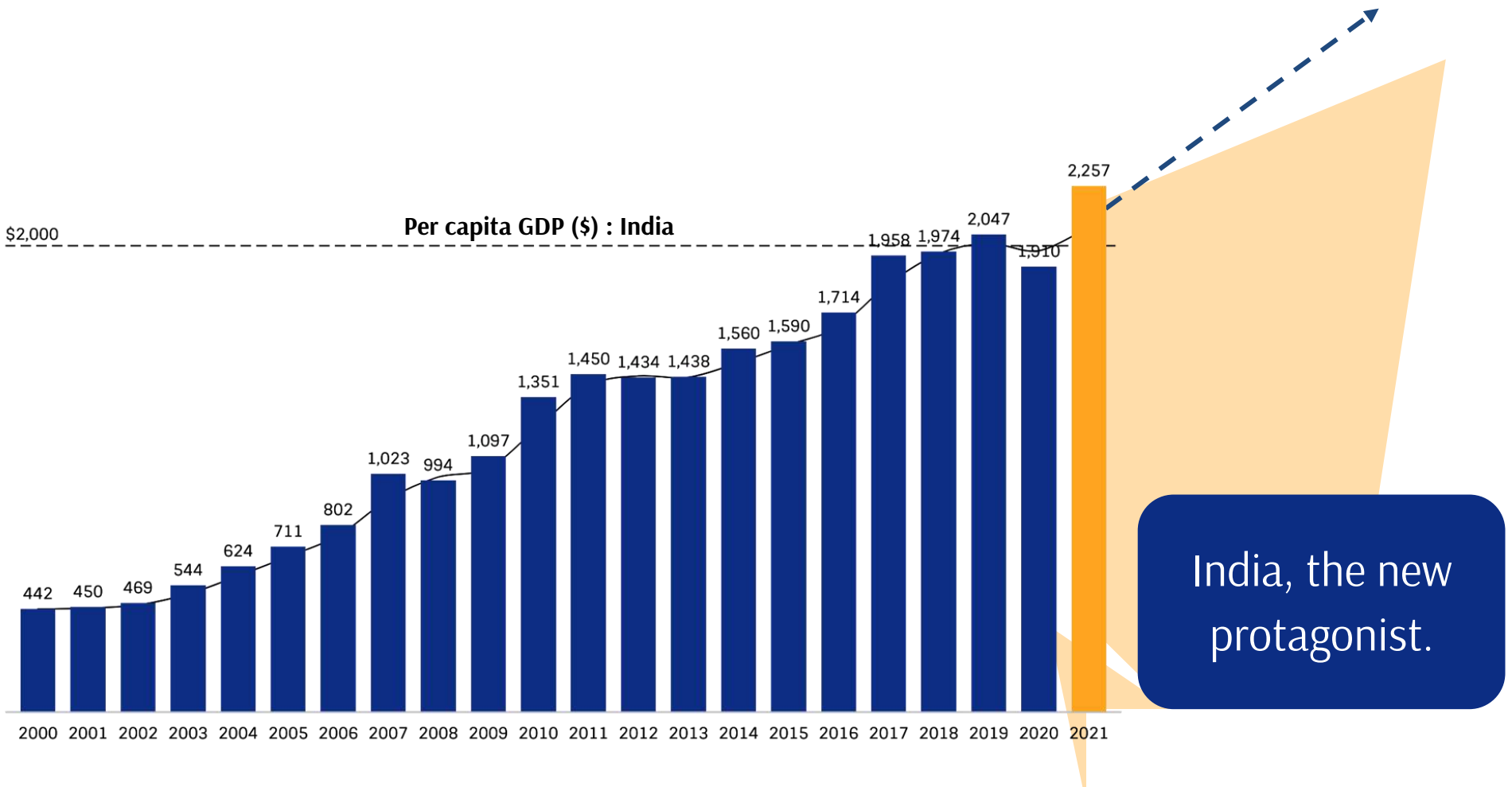
Structural shifts orchestrating the India Growth Story



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India on the pathway to exponential growth

US & China's transformation story evident in India as well



Source - World Bank

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Structural change in India visible across parameters

$ 2,000+ per capita GDP (crossed threshold mark), large population, large domestic market.

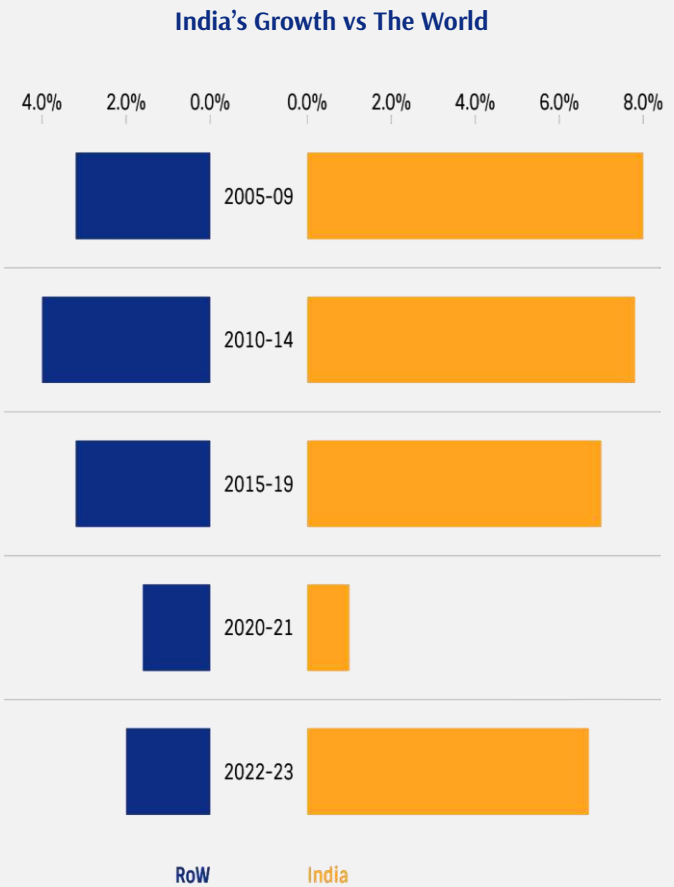
22% contribution to global working population. Favourable demographic dividend.

487 Mn beneficiaries served through Jan Dhan accounts, with ₹2 lakh crore plus in deposits indicating growing financial inclusion.

~50 Mn real-time digital payments in 2022; highest in the world

3rd largest startup ecosystem in the world 77k+ startups registered

3rd largest car market in the world. In terms of production, India remains the fourth largest producer of light vehicles



Source - Deutsche Bank, Fortune India

Factors enabling the structural change in India (the input parameters)

360 degree shift : internal and external, enabling a precipitous growth in the Indian economy.
A look at few of the factors:

Policy reforms

Production Linked Incentive (PLI) Scheme : Strategic opportunity for India to become a prominent global manufacturing player. Potential to add 4% to GDP per annum in terms of incremental revenues

Progressive tax reforms: GST implementation for fulfilling the 'One nation, One tax, One market ' vision.

Govt. initiatives on digitization

UPI : 2,348 transactions/sec and an average of over ₹10 lakh crore /month worth of transactions

Open Network for Digital Commerce (ONDC) completed 4,000 successful transactions as part of beta testing

India's digital infrastructure template is a new model for development around the world

Demographic Advantage

Demographic dividend: CII reported that if the Indian demography is productively employed, India will leapfrog to a $9 trillion economy by 2030

Growth of aspirational middle class: Elite & Affluent Households will more than double, and Aspirers will increase by 50%+ by 2030

Global tailwinds

China Plus One: Friendshoring approach & China + 1 enabling India to emerge a preferred destination for manufacturing.

Share in Emerging markets (EMs): India's share among the emerging economies has steadily risen to 14.8% in 2022 (2X growth from 2020)

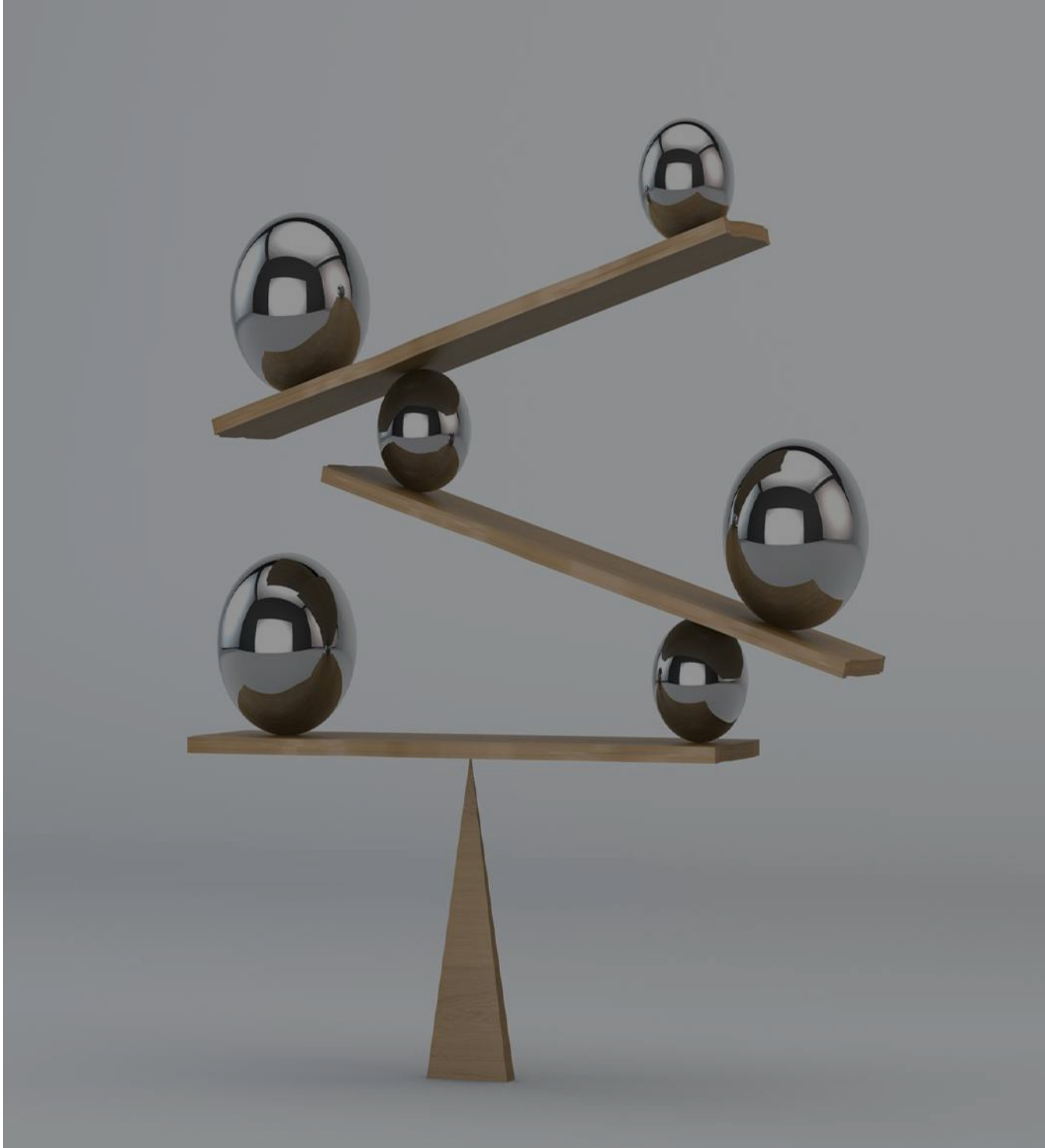
Source - BCG, InidaStack

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03

Green shoots visible across the 4 multiplier themes in India



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India - at the turning point

The 4 key themes at play

India will transition to manufacturing & service-oriented economy. India will be low-cost technology services provider to the world. Import substitution, China+1, focused infra spending by government, combined with policy reforms will lead to this transition. Electronics, Chemicals, Engineered goods and Urban Infra are key systemic latitudes at play

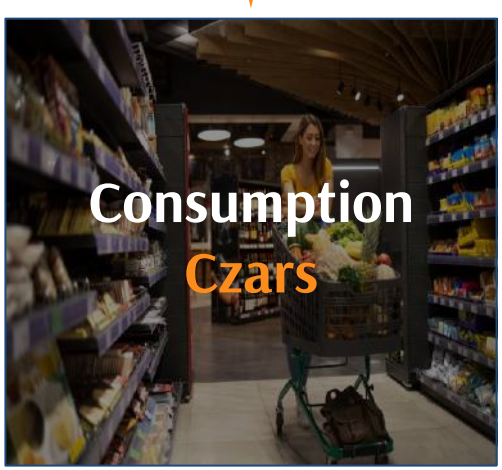


Growing per capita income, urbanization, multiplying affluent households, large GenZ population will drive structural transition in discretionary consumption. Segments like organized retail, mobility, dine-out, travel, entertainment, health, education, consumer electronics etc will see significant growth





UPI, Big data, ONDC, Account aggregator initiatives of the government are likely to redefine the cost of services. With growing young population, affordability, access to cheap data, burgeoning smartphone users is likely to drive significant growth in online penetration across various service segments.



Growth in household income would lead to both increased savings and increased leveraging at every household level, leading to higher HH debt to GDP. Retail credit and in particular segments like personal, housing, vehicle and MSME loans will grow multifold and benefit from financial inclusiveness story.

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Evident Structural Changes

Theme 1: Manufacturing Focus

Manufacturing will become a key contributor along with service for growth

3 pillars of manufacturing growth in India

Localisation driven by PLI

The scheme currently covers 15 sectors with annual investment and sales targets. If all firms deliver as promised, incremental revenues are expected to be more than US$400bn or over 10% of GDP.

Exports driven by China +1

Friendshoring approach & China + 1 enabling India to emerge a preferred destination for manufacturing

Robust Infrastructure – Railway and Defense

India is the 3rd largest defence spender and the 2nd largest arms importer in the world. Import substitution & localisation of Defence Manufacturing over the next 5 years offers a 5Tn$ opportunity.

Source - BoA Global Research, TRAI, NPCI

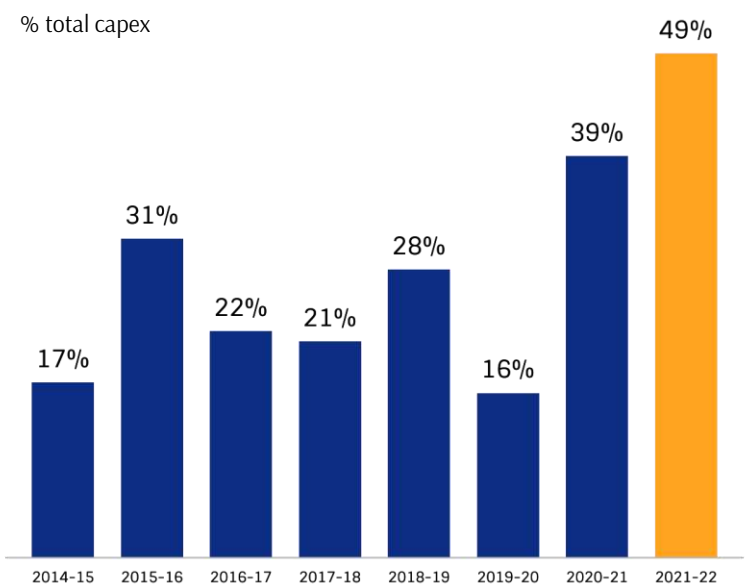
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Evident Structural Changes

Theme 1: Manufacturing Focus

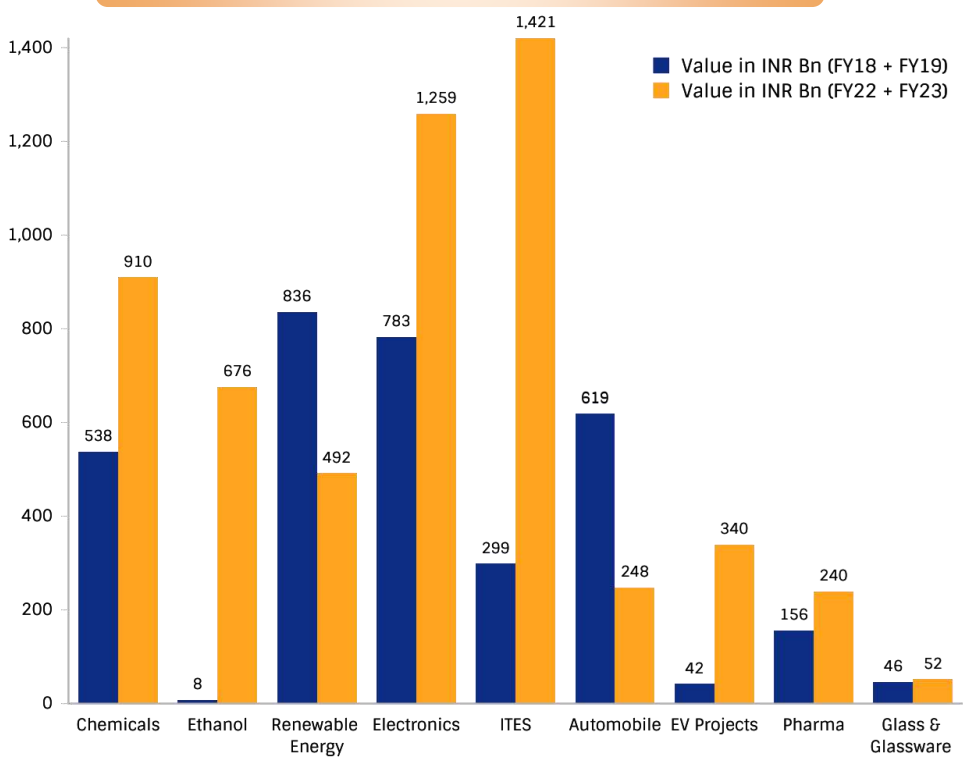
Manufacturing will become a key contributor along with service for growth

India's increasing share of manufacturing in total capex



In some specific sectors, India's competitiveness has increased and it has increased share in global exports. PLI scheme has been launched to boost this growth. The manufacturing sector in China is almost 2x that of India.

Private sector capex has grown at a immense pace



Private sector capex has grown exponentially over the last 5 years, especially across Chemicals, Electronics, Electric Vehicles and Pharmaceuticals

Source - ICRA, BoA Global Research, TRAI, NPCI

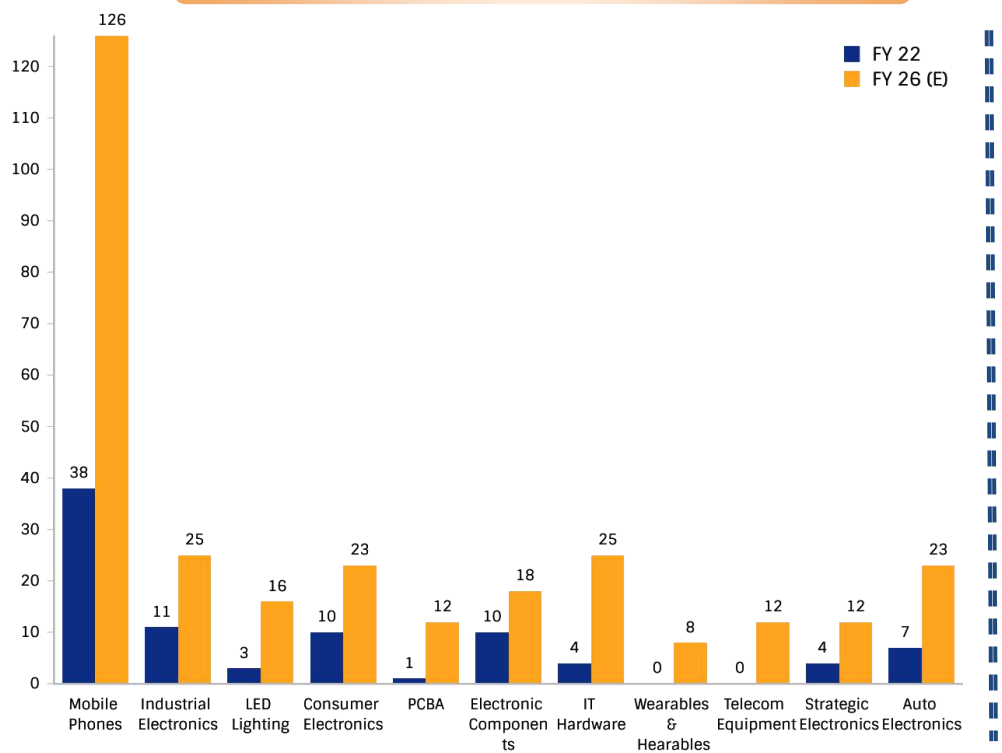
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Evident Structural Changes

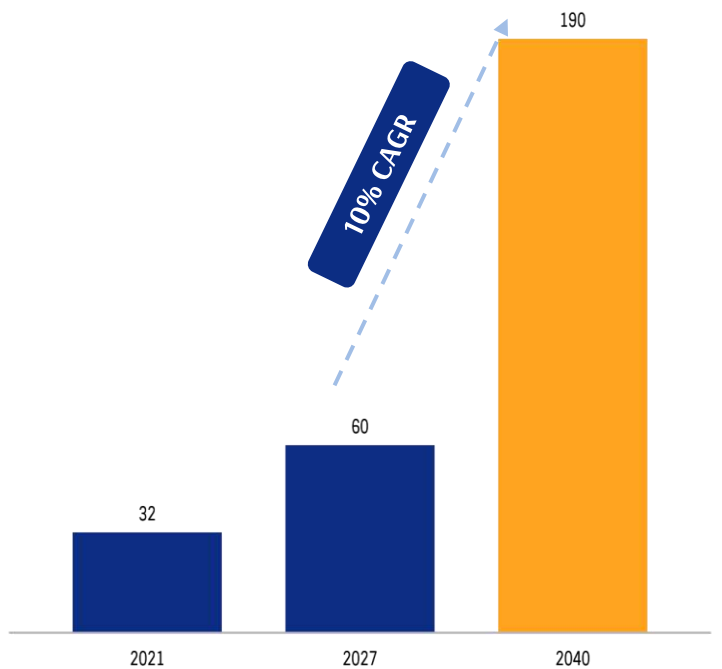
Theme 1: Manufacturing Focus

India to become a global hub for **speciality chemicals**

Growth of India's electronic manufacturing, USD Bn



India speciality chemicals market, USD Bn



The Indian government is targeting local electronics manufacturing to reach $300 Bn by 2026, growing at a CAGR of ~36% over the next 4 years

India is expected to become a $850-1000 Bn chemicals market by 2040, taking 10-12% share of the global chemicals market

Source -: Capital IQ, McKinsey, Morgan Stanley, Standard Chartered, FICCI

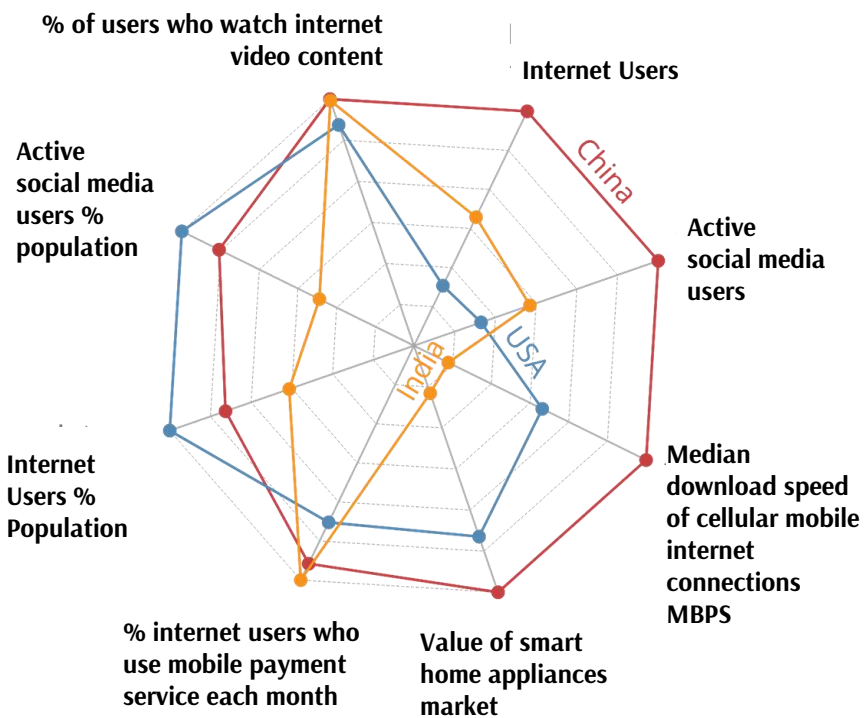
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Evident Structural Changes

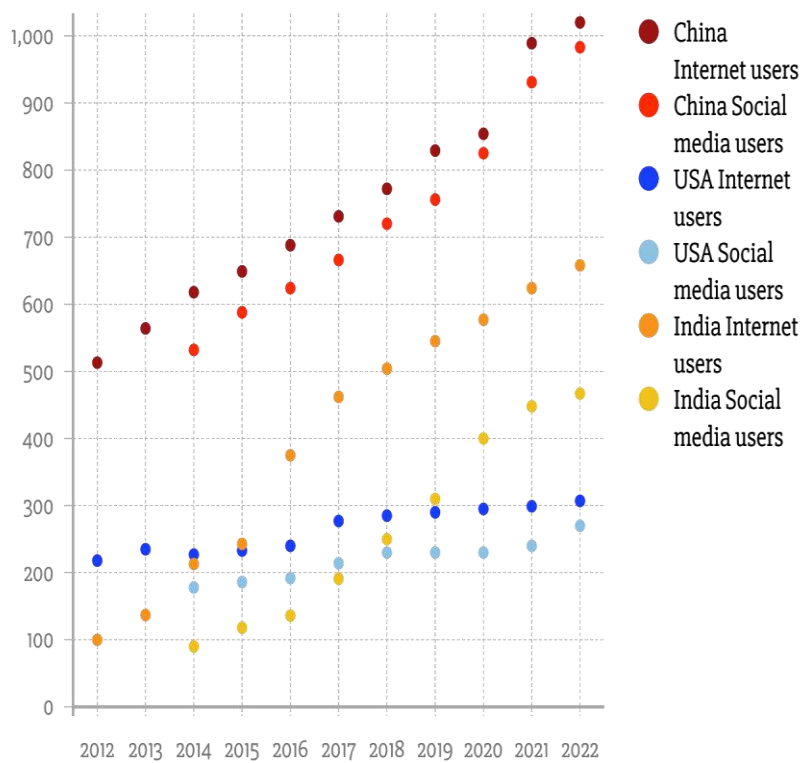
Theme 2: Phygital Innovation

India a strong contributor to digitisation globally with further potential to grow across parameters

India, China, USA across digital metrics



Internet and social media users India, China, USA



India shows high appetite for digital consumption across domains. Ecommerce penetration in India is expected to be faster than developed nations.

Source - datareportal.com

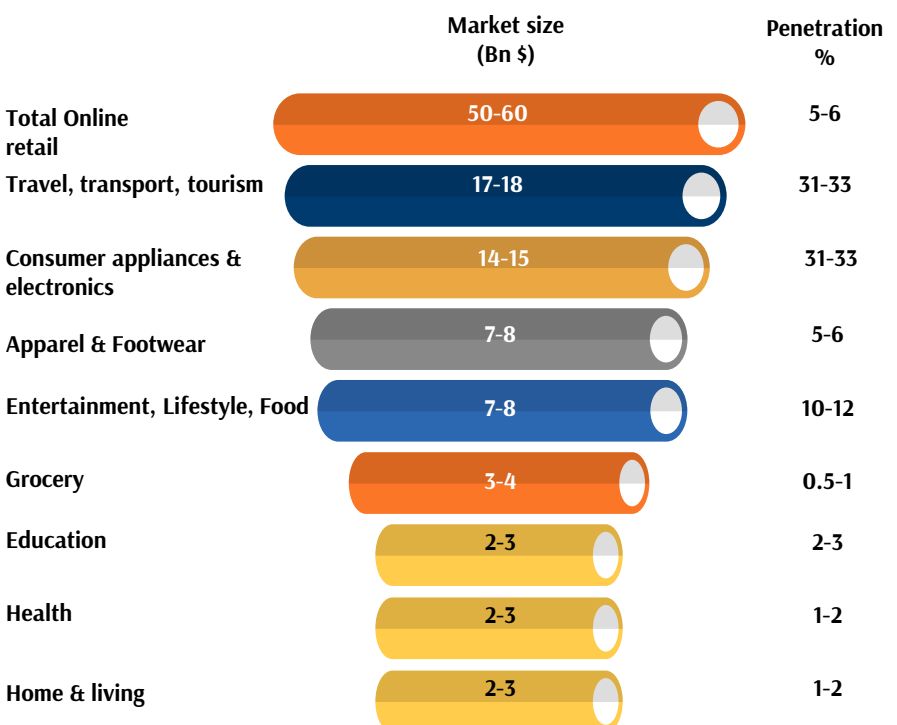
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Evident Structural Changes

Theme 2: Phygital Innovation

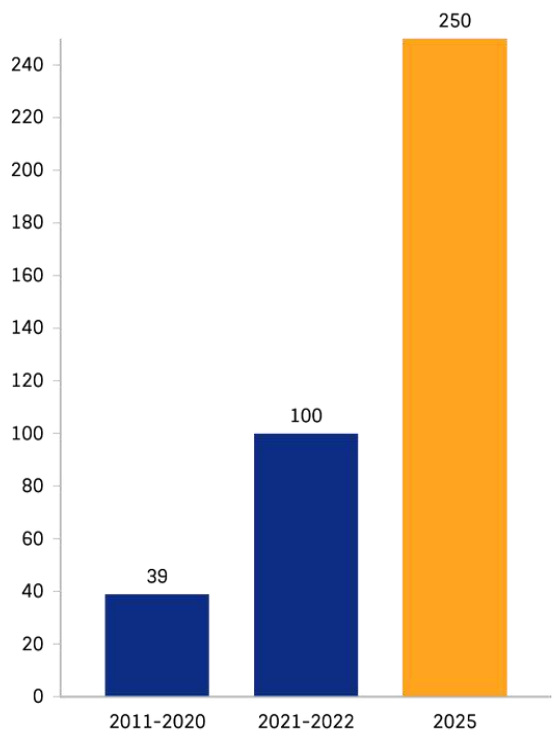
Increasing digitisation and innovation facilitating growth of new and emerging businesses.

Penetration across industries



Huge scope of increase in penetration levels across industries

Number of Unicorns in India



Online beauty, fashion, food, logistics, insurance have potential to grow faster than traditional businesses

Source - BoA Global Research, TRAI, NPCI

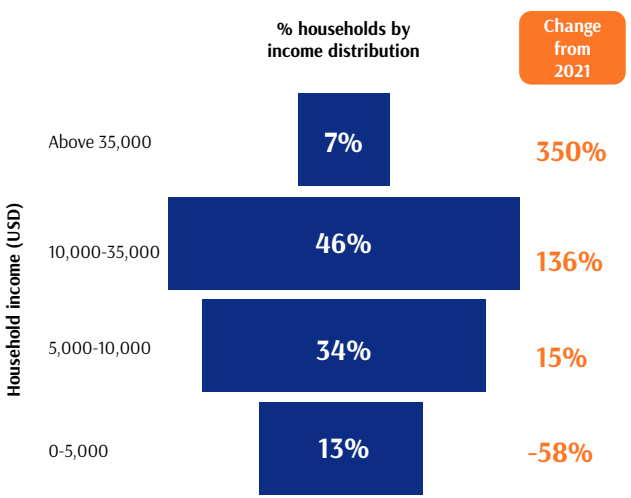
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Evident Structural Changes

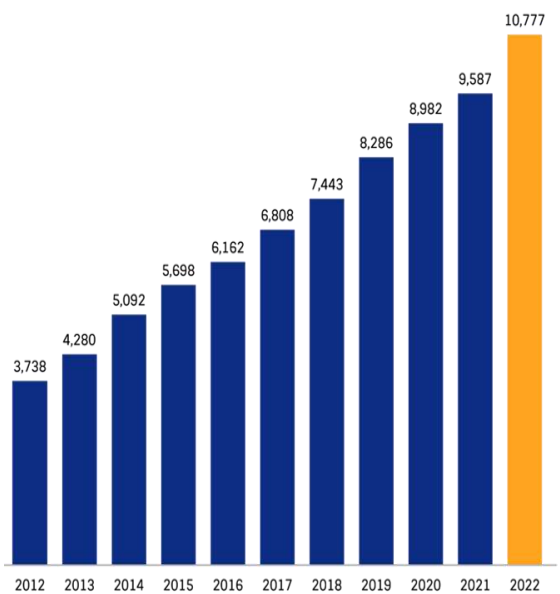
Theme 3: Consumption Supercycle

When China crosses $2500 per capita in 2008, it saw a significant boost to discretionary spending for a long period.

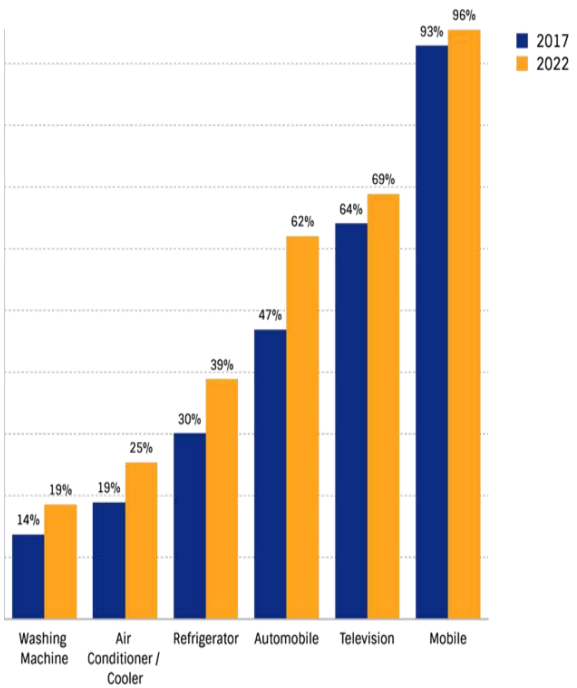
India's income pyramid by 2031



Employee costs of NSE 500 companies (₹ Tn)



Penetration of consumer durables in India



Discretionary consumption is set to rise as India crosses the $2,000 GDP per capita mark, as witnessed in fast-growing economies

Discretionary spending on recreation, entertainment, transportation, healthcare, retail and luxury set to grow

Urban consumption to drive discretionary spending, as affordability reaches a decadal high, coupled with rising incomes and falling EMIs

Source - Morgan Stanley, Motilal Oswal, National Family Health Survey

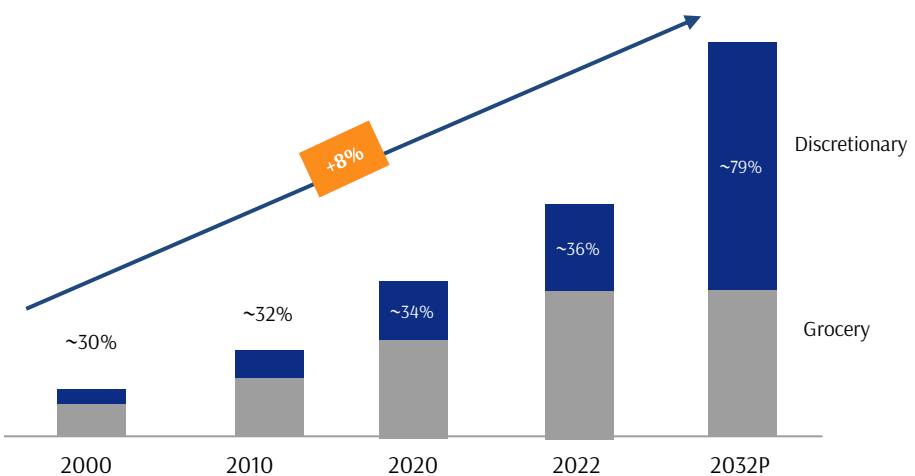
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Evident Structural Changes

Theme 3: Consumption Supercycle

Online beauty, fashion, food, logistics, insurance have potential to grow ahead of traditional business. Such high growth companies are now available at reasonable valuations vs traditional companies.

India retail market ($Bn)



Key pointers	Period	India	Period	China	China 2006
GenZ + Millennial population (mn)	FY21	708	2021	648.65	604.27
GDP per capita (current USD)	2021	2,256.60	2022	12,732.55	2,099.23
% of luxury cars over total market	FY22	1.80%	2022	16.90%	lower than 6%
Outbound travelers (mn)	2021	8.6	2022	26-30	34.5
Apparel industry	FY22	59.3	2021	199	69
Pure alcohol market size (bn litres)	2021	2.9	2021	8.08	5.37
Jewellery value (USD bn)	FY22	70.9	2021	52.29	29
KFC stores	FY22	364	2022	8,168	1,822
Pizza Hut stores	FY22	413	2022	2590	254
McD stores	FY22	330	2022	2391	784
Zara store	FY22	21	2022	603	7
H&M stores	FY22	48	2022	445	0

The wealth effect is likely to drive HH to transition focus on discretionary spending like recreation, entertainment, transportation, healthcare and luxury. Potential winners: D-Mart, Trent, Titan, PVR, Rainbow, Sapphire, Westlife

With India at $2500 mark, some of the segments like organized retail, branded apparels, QSR, health and travel are poised to see robust growth. Growth potential is multifold in majority of discretionary segments compared to staples.

Source - Redseer, Sundaram Alternates

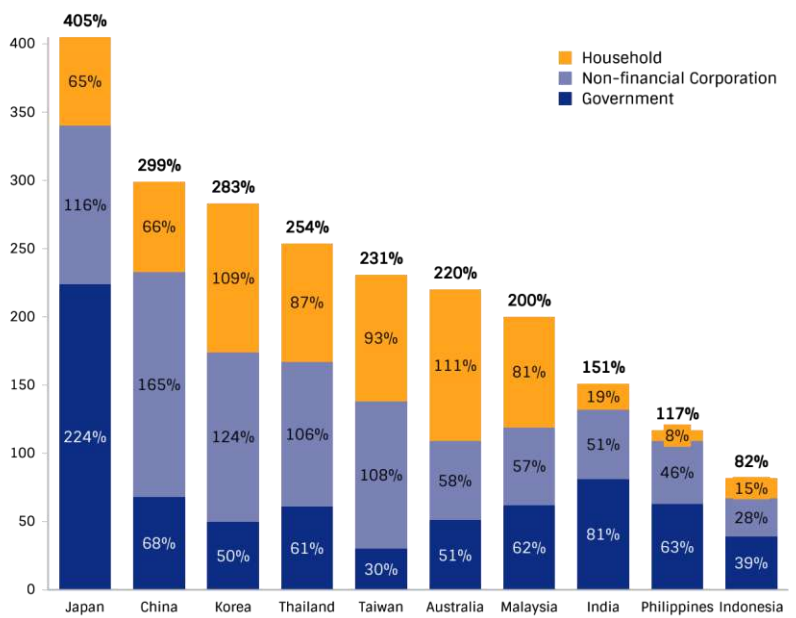
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Evident Structural Changes

Theme 4: Financial Inclusiveness

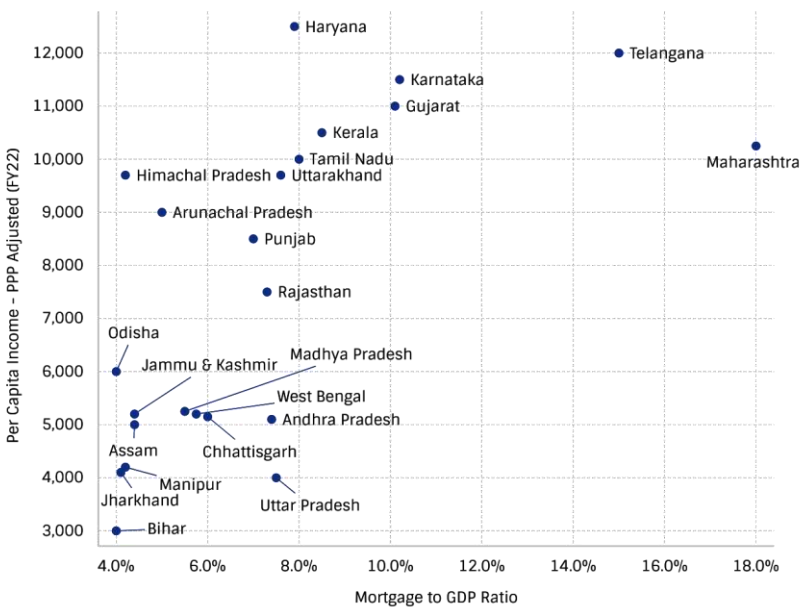
Increasing financial penetration, large population, strong financial markets

Per capita growth to drive household debt to GDP percentage



India's household debt as a percentage of GDP is severely lagging behind many of its peers and benchmarks

Mortgage-to-GDP ratio of select states



Most Indian states have a mortgage-to-GDP ratio of less than 10%, despite higher per capita income; indicating a huge scope for mortgage credit to grow

Source - CRISIL, CRIF High Mark, CEIC

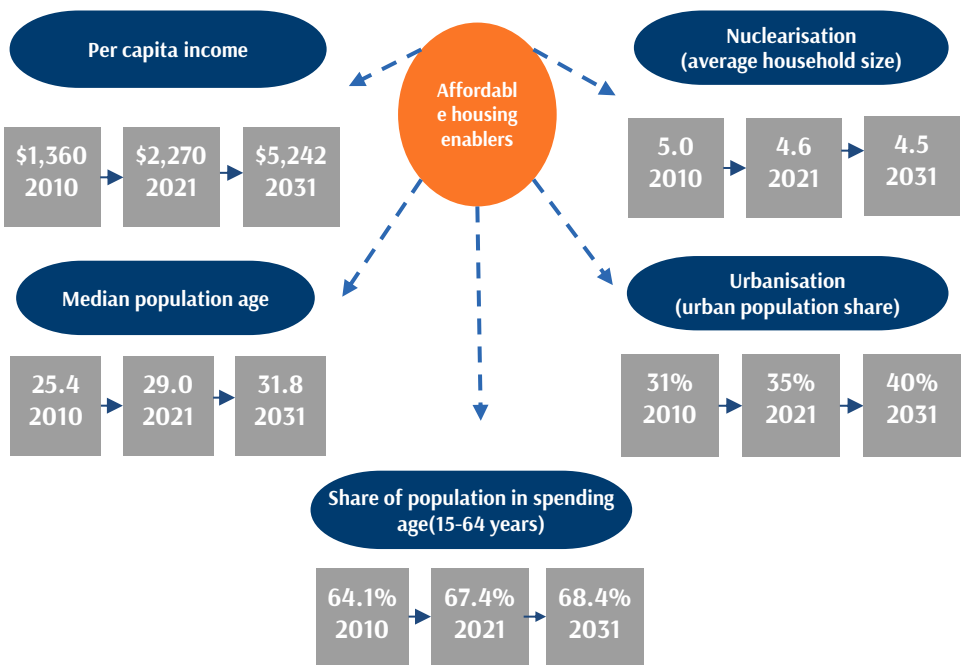
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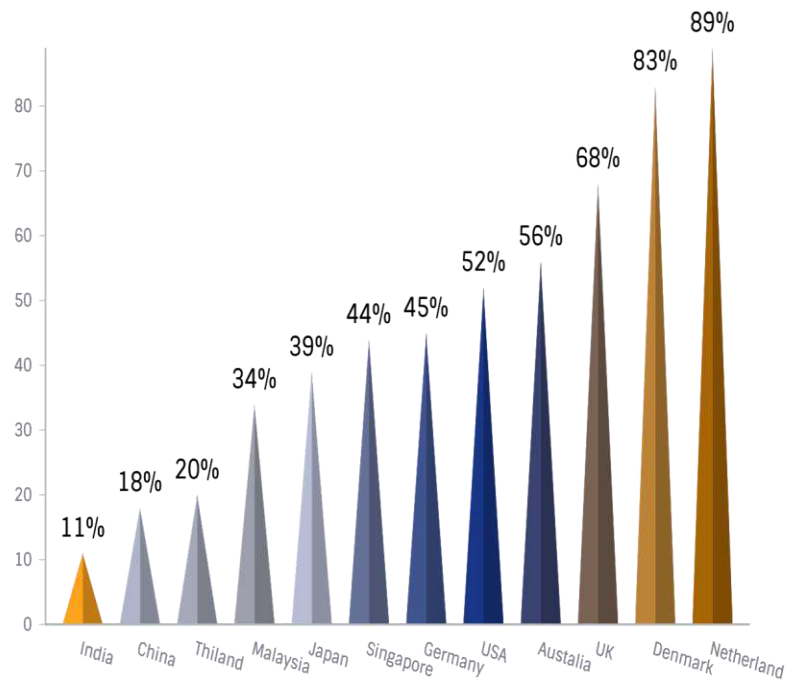
Theme 4: Financial Inclusiveness

Incremental potential of growth in household debt

India's Housing growth drivers



Mortgage / Nominal GDP in India



1 Strong momentum of growth with indicators across urbanisation, population demographics and income levels.

2 India's Mortgage/nominal GDP vs other countries has enormous growth potential. Connecting the property ecosystem will expedite the socio-economic change in the country.

Source - Morgan Stanley, RBI, MSME industry annual report

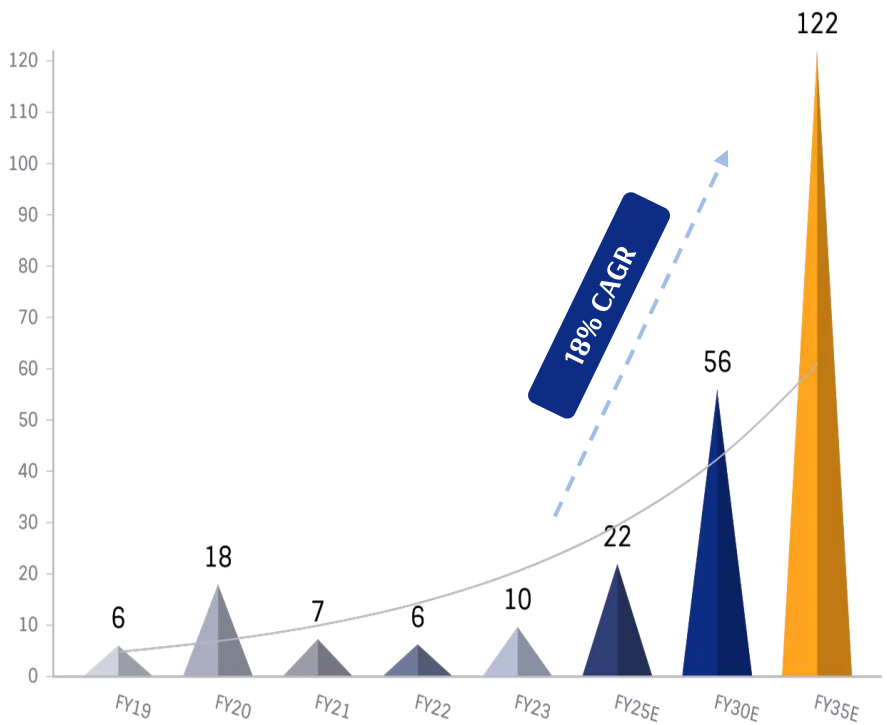
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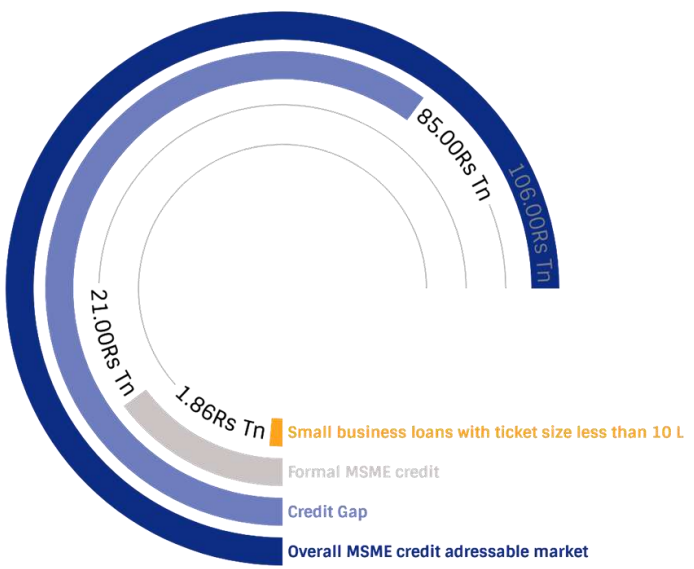
Theme 4: Financial Inclusiveness

Opportunity of growth in individual (Credit card) and MSME credit

Credit card spends in India



MSME lending in India



1 Credit card spends set to more than double due to rising consumerism and digitisation of Indian economy. Credit card spends as a percentage of PFCE also has huge scope of growth.

2 Business loans with ticket size < 1 MnRs account for only 9% of formal MSME credit, indicating a huge opportunity

Source - Morgan Stanley, RBI

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04

Generating capital appreciation across market cycles



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Long-term value creation

Value of ₹1 Cr invested in 2010

S. I. S. O. P. has generated over **15x wealth** for its investors over a 15 year period, through responsible and consistent investment



Source -: Peer performance is available under the following link of Association of Portfolio Managers in India (APMI): https://www.apmiindia.org/apmi/welcomeiaperformance.htm?action=PMSmenu Performance as of April 30, 2026. Returns for time period less than 1 year are absolute. Performance is at aggregate portfolio level on TWRR basis. Past performance may or may not be sustained in future.

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SISOP Sundaram India Secular Opportunities Portfolio

1 Concentrated portfolio

Concentrated multi-cap portfolio of high-growth stocks, with focus on mid & smallcaps for alpha generation

2 Secular growth opportunities

- Growth opportunity > 15%
- Ability to generate ROIC > 15%
- Earnings growth across cycles > 20%
- Low debt-to-equity ratio

3 Consistent wealth creation

Generating over 15x wealth for investors since inception



Investment process generating the alpha

1. Tapping into the right long-term value migration trends and identifying growth stocks in underperforming sectors
2. Being benchmark agnostic and extremely selective across cap curves
3. Focus on growth stocks and avoiding defensive and deeply cyclical companies

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SISOP Highlights

1. Launch: Feb 2010
   Performance track record of 15+ years
2. Concentrated multi-cap portfolio
3. Balanced portfolio of high-growth companies identified through a robust selection criteria

3Q selection criteria

Quality of Business

- Scalability – How big is the opportunity?
- Self Sustaining business models – 3Q Financial framework
- Strong differentiating factor in business
  - What is the key competitive advantage:
  - Is it cost competitiveness, a superior brand leading to higher pricing power or pure execution?



Quality of Financials

- Ability to double earnings in 4-5 years
- Growth = Reinvested Cash x RoIC
- Businesses with min. ROIC of 15%
- Higher cash generation leads to higher reinvestment: OCF/ EBITDA > 50%
- Debt to Equity: < 0.5x – low debt helps navigate business tough times



Quality of Management

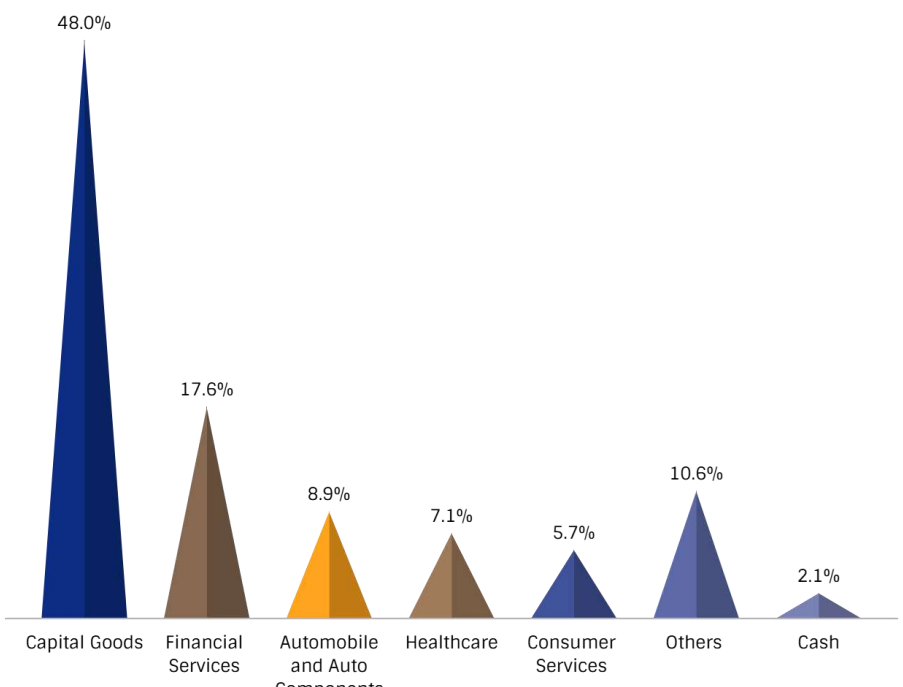
- Past execution track record
- Vision of management
- High sustainable growth
- Past record of identifying and investing in profitable opportunities
- Good corporate governance track record



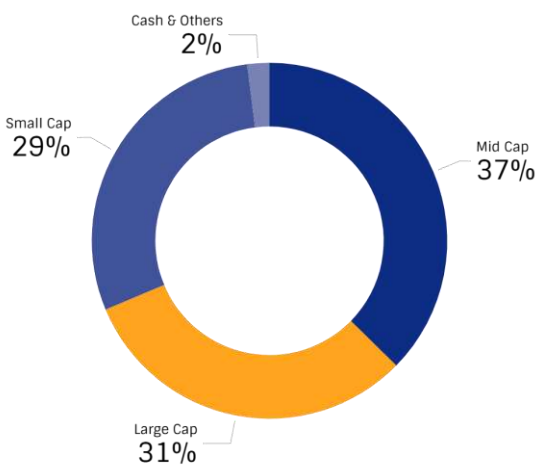
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Capital allocation undertaken by the fund

Sectoral allocation of the fund



Cap curve mix of the fund

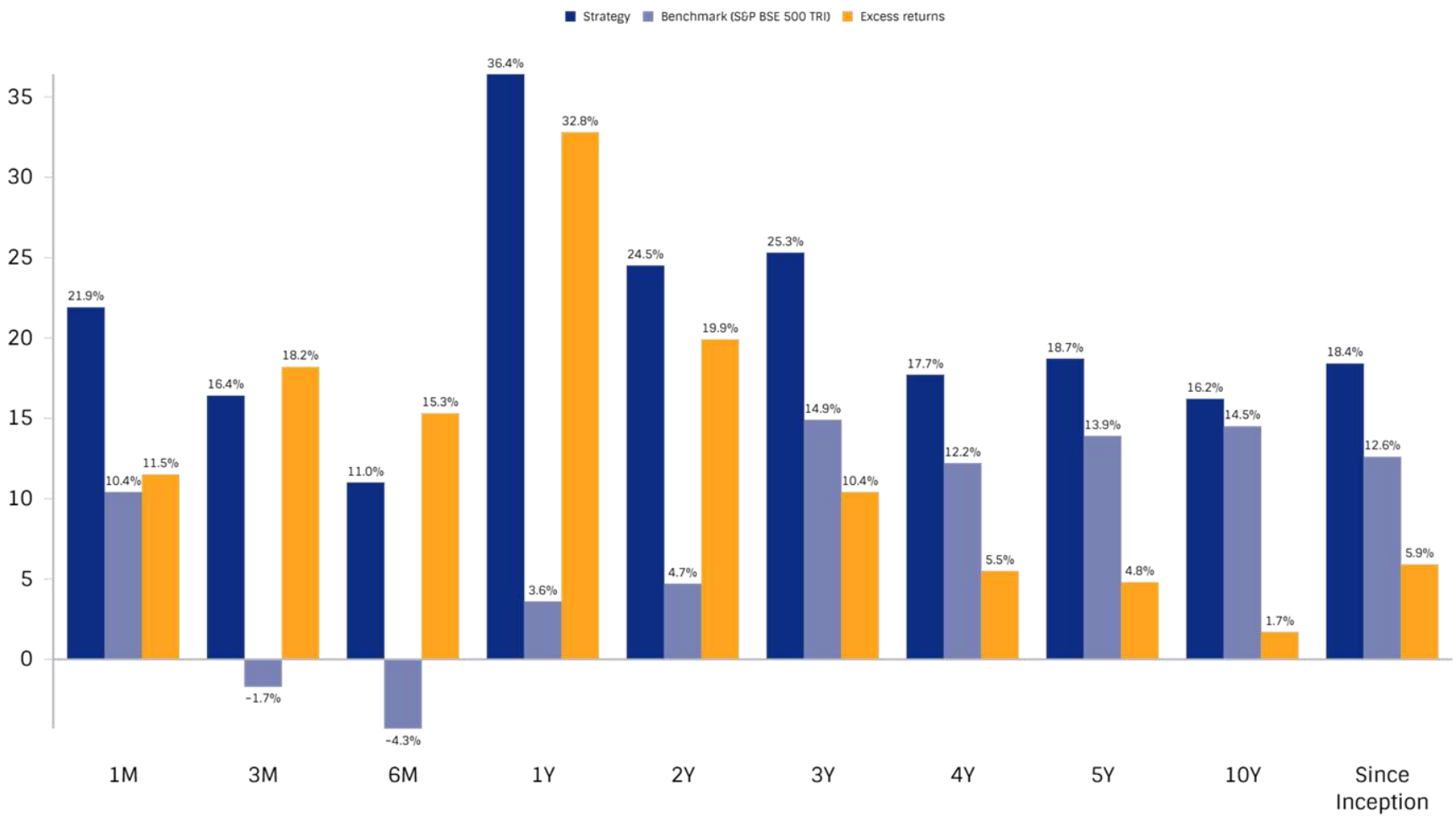


Source: In-house analysis & Bloomberg

Data as on April 30, 2026. Portfolio information (i.e. market cap, sector allocation etc.) is at a model client's level.

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Performance since inception



Peer performance is available under the following link of Association of Portfolio Managers in India (APMI): https://www.apmiindia.org/apmi/welcomeiaperformance.htm?action=PMSmenu
Performance as of April 30, 2026. Returns for time period less than 1 year are absolute. Performance is at aggregate portfolio level on TWRR basis. Past performance may or may not be sustained in future.
Source : In-house analysis

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Summary of findings



Quality & Value

- Factor Investing can help investors enhance the risk-adjusted returns.
- Historic data proves outperformance of factor indices over the benchmark.

- When adding a layer of factors, it is important to focus on market capitalization and risks (in terms of drawdowns).

- In the large-cap space, the value index has delivered superior performance, with steeper drawdowns compared to quality index.
- However, the superior performance of the large-cap value index balances the risk.

- In the diversified and mid-cap space the quality indices has delivered good performance vis-à-vis the benchmark and value indices & also the drawdowns have been limited.

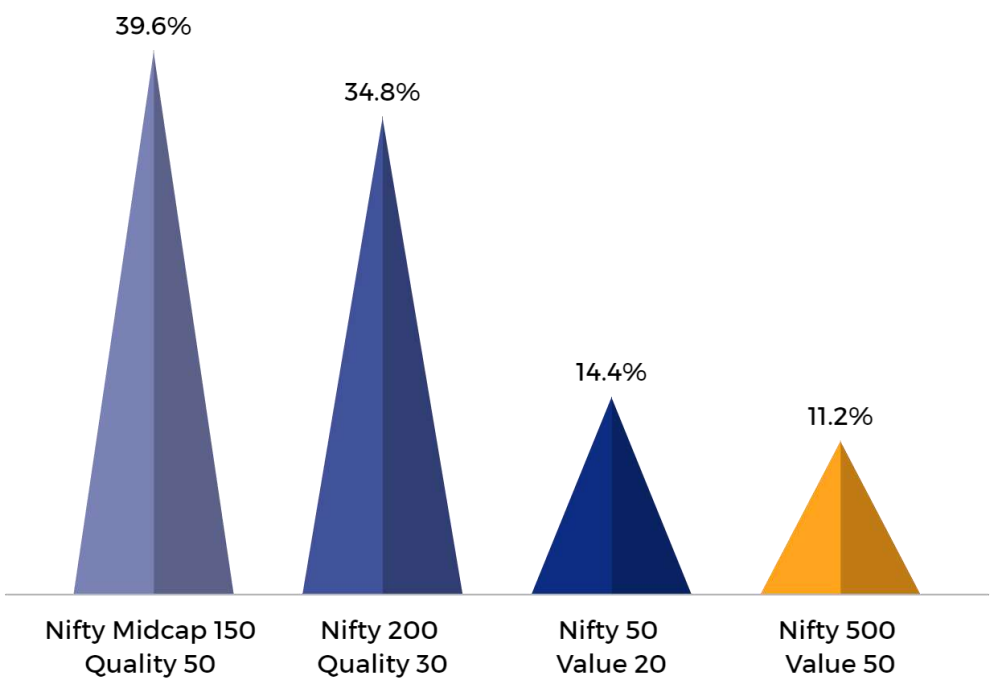
- During crises, the recovery of diversified and mid-cap based quality indices was better than diversified value index.

Source: In-house analysis

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Quality vs Value: Does one have an upper hand over the other?

Relative outperformance of quality and value indices on a 5 year rolling return basis



Nifty 200 Quality 30 & Nifty 100 Quality 30 outperformed their parent indices **79%** & **38%** of the times, respectively

Nifty Midcap 150 Quality 50 outperformed its respective parent index **85%** of the times

In case of Nifty 500 Value 50 & Nifty 50 Value 20, they outperformed their respective benchmarks **49%** & **82%** of the times, respectively.

Source: In-house analysis

"Sensitivity: Public"

Quality as a factor



- Quality rewards companies with durable business models, sustainable competitive advantage, and superior financials.
- Applying the quality layer in India's investment-rich environment can potentially enhance returns or diversification.
- Quality serves as a defensive factor, providing comfort to investors during volatility.
- Focusing on quality in India's growth trajectory can be beneficial over the long-term, offering investors the opportunity to harness the country's growth potential while limiting downside risks.

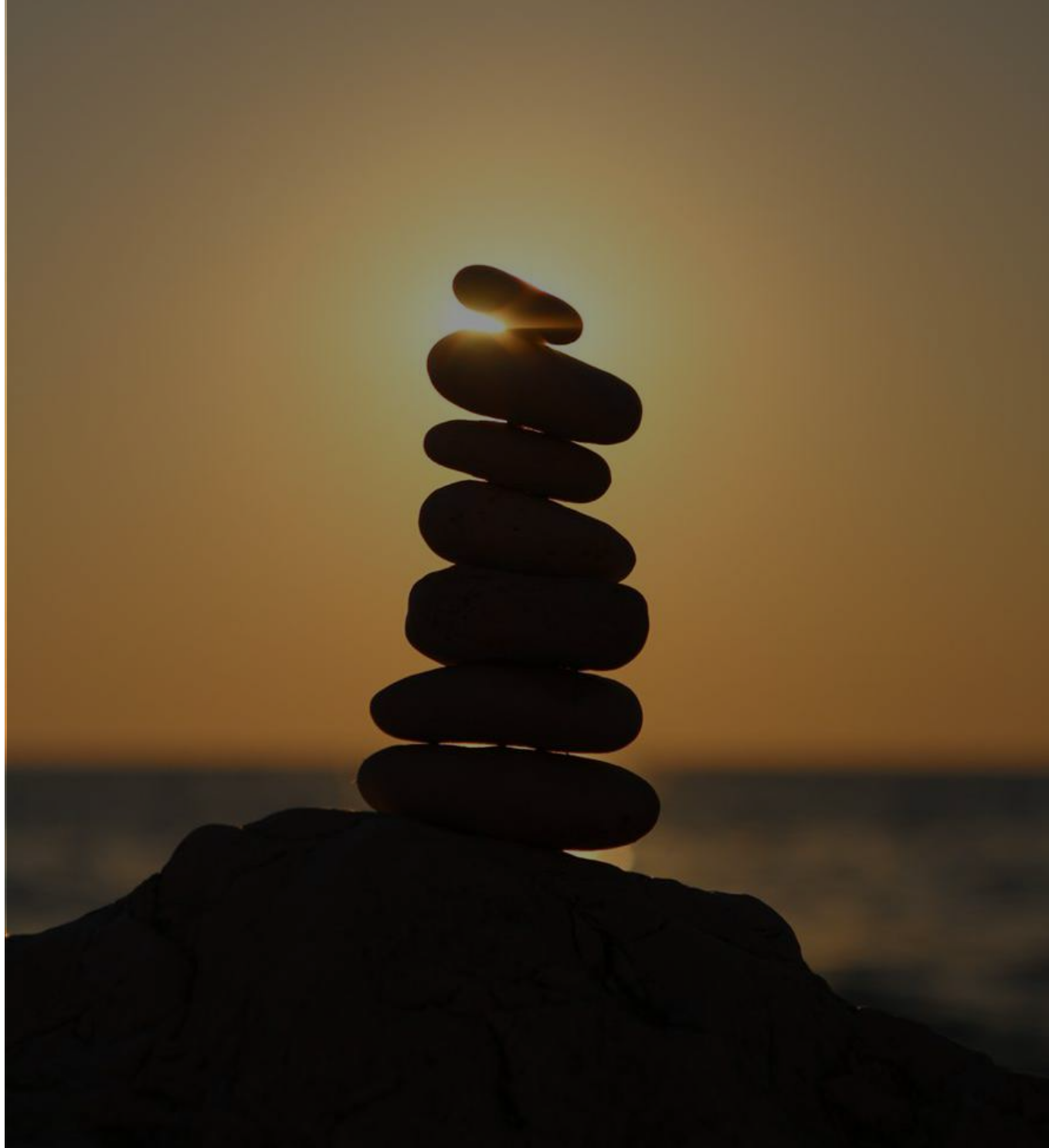
Source: In-house analysis

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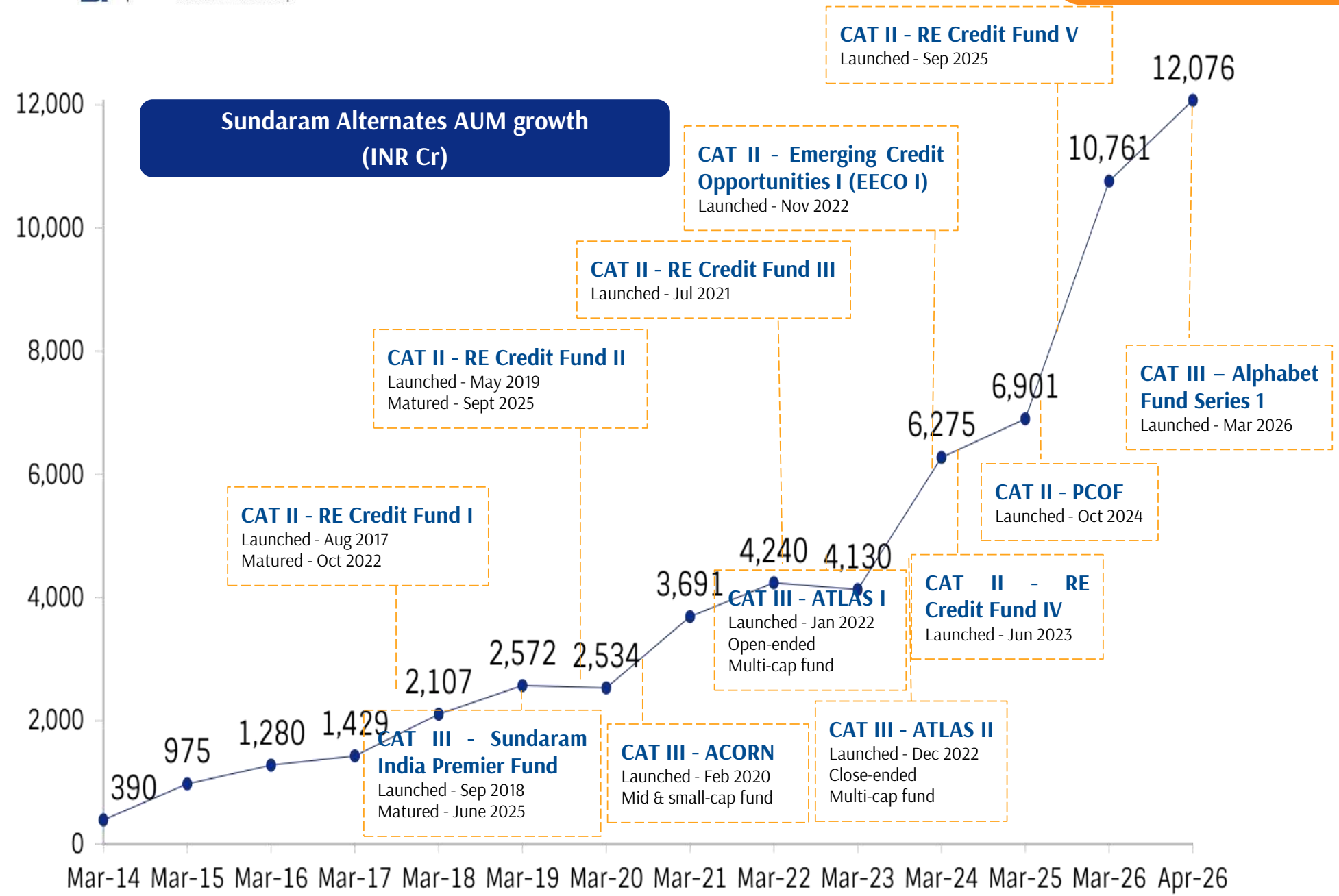
05

Sundaram Alternates - Creating balanced investing opportunities



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Source -Sundaram Alternates
Data as on April 30, 2026. Past performance may or may not be sustained in the future.

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Top Management



KARTHIK ATHREYA

Managing Director

- Mr. Karthik Athreya is the Managing Director of Sundaram Alternates as well as a member of the firm's Private Credit Investment Committees. He is a financial services professional with over 26 years of experience across principal investing, funds management, investment banking, corporate finance, assurance, and transaction diligence services. Under his guidance, Sundaram Alternates' private credit franchise has grown to over $450 million of AUM since its inception ~7 years ago
- Prior to Sundaram Alternates, Karthik led the India business of Clearwater Capital Partners, a pan-Asian special situations fund, and oversaw close to $2 billion of investments across secured lending, offshore private credit, deep restructurings & turnarounds, private equity, and real estate credit. Karthik has been instrumental in the setup and build-out of several new businesses in his earlier roles at YES Bank, Arthur Andersen, and Rabobank's India operations.
- Karthik is a Chartered Accountant and graduated from the prestigious Loyola College, Chennai. He is also a member of the Royal Institution of Chartered Surveyors (RICS)



AJIT NARASIMHAN

Chief Operating Officer

- Ajit brings over two decades of experience across Asset Management, Digital & FinTech businesses, and General Management.
- He spent more than 15 years with Sundaram Asset Management Company, serving as Chief Marketing Officer and leading marketing, product, and direct channel sales, while also overseeing the company's digital transformation agenda.
- Most recently, Ajit served as Head of Strategy & Planning at Sundaram Finance Limited, where he was responsible for several strategic initiatives across the group, including the launch of its Wealth Management business.
- Earlier in his career, he worked with Cognizant Technology Solutions and BankBazaar.com. At BankBazaar, he was the key architect behind the launch of one of India's first paperless mutual fund investment platforms, a pioneering step in the country's fintech space.
- Ajit holds an MBA from the Great Lakes Institute of Management.



DARSHAN ENGINEER

Fund Manager

- Darshan Engineer is an experienced investment professional with over 16 years in financial markets, including 14 years in equities and 2 years in credit ratings. His investment career spans across leading PMS and AIF platforms such as Alchemy Capital, Karma Capital, and Valuequest, with a focus on small and mid-cap strategies.
- Known for his strong bottom-up research capabilities, Darshan brings deep sectoral expertise across consumer discretionary, auto & auto ancillaries, pharmaceuticals, chemicals, and information technology. His approach combines detailed financial modelling with a strong understanding of business fundamentals.
- An MBA in Finance from Jamnalal Bajaj Institute of Management Studies and a Computer Science engineer from Mumbai University, Darshan has also held leadership roles in credit research during his stint at CRISIL.

Source -Sundaram Alternates

pmsbazaar
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CRISIL
An S&P Global Company



SUNDARAM ALTERNATES - VOYAGER

Awarded

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Sundaram Finance Group

★★★★

PMSBAZAAR CATEGORY - **MULTI CAP FUNDS**

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PMSBAZAAR CATEGORY - **SMALL AND MIDCAP FUNDS**

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SUNDARAM ALTERNATES - SISOP

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Sundaram Finance Group

★★★

PMSBAZAAR CATEGORY - **MULTI CAP FUNDS**

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SUNDARAM ALTERNATES - RISING STARS

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Sundaram Finance Group

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PMSBAZAAR CATEGORY - **SMALL AND MIDCAP FUNDS**

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THANK YOU

We look forward to scaling new peaks with you