

Samco Flexi Cap Fund

(An open-ended dynamic equity scheme investing across large cap, mid cap, small cap stocks)

Invest in efficient companies at an efficient price and maintain efficient portfolio turnover

Inefficient Company 

 Efficient Company



Fast and efficient product launch

Never ending product approval cycle

Takes forever to launch product

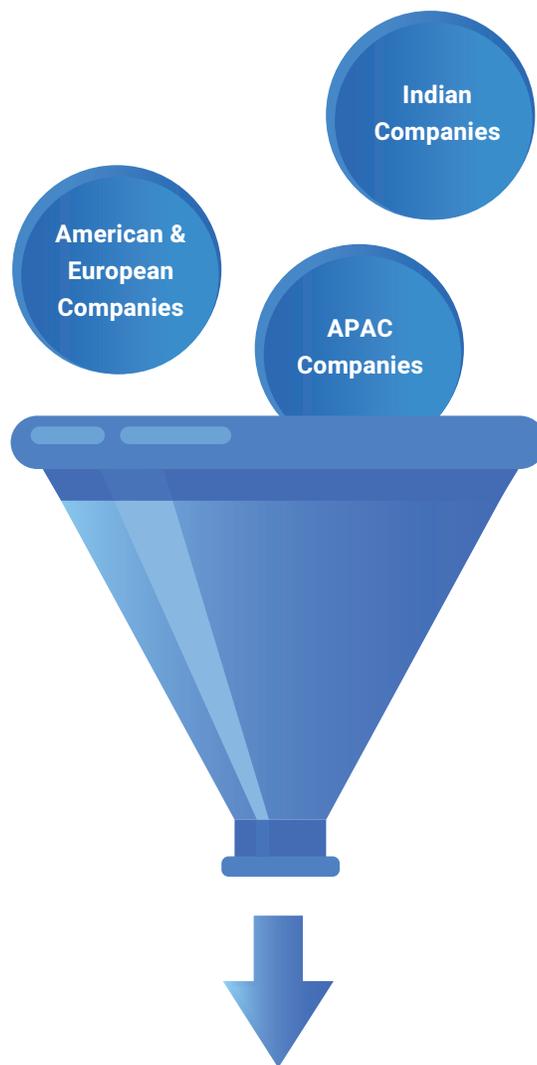


Handy Guide

Samco Flexi Cap Fund -

About Samco FlexiCap Fund

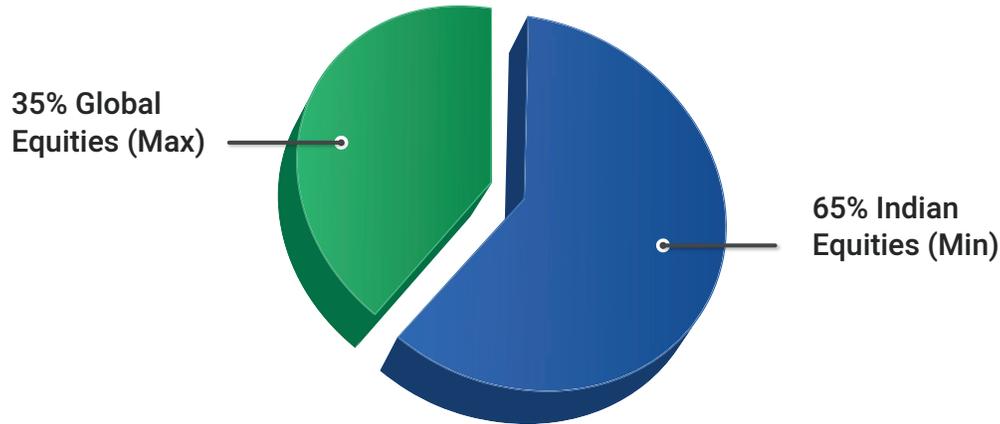
Samco Flexi Cap Fund will invest in 25 stress tested Efficient businesses from India and global equity markets. Using its proprietary HexaShield Framework for stress testing businesses, Samco Mutual Fund will focus on investing in companies that can generate high cash returns on capital employed in a variety of economic conditions. This is to ensure that the fund not only generates high returns on investment but also protects the downside by stress testing each investment it makes.



**Investible Universe of ~125 stocks
across the globe that pass the
HexaShield Stress Test**

Samco Flexi Cap Fund - **25 Stress Tested Companies**

Samco's Flexi Cap fund's portfolio will consist of 25 (65% Indian and 35% global equities) stress tested businesses based on their compounding ability in terms of return on capital employed and reinvestment rate. The portfolio of the scheme will be prepared after performing accounting and adjusting ROCE of the business on various discretionary intangible factors.



Samco Flexi Cap Fund - **Drivers of efficient stress tested businesses**

Our ~125 stock universe contains efficient companies imbibing 7 traits that form the backbone for high ROCE generation. These businesses have been able to survive only because they have built intangible asset value which makes them very hard to replicate. Investing in such efficient companies enable future compounding and high sustainable ROCE which is the heart of our Hexa Shield frame work.



Samco Flexi Cap Fund - The Strategy



Invest only in efficient stress tested companies

Samco's HexaShield stress tested framework strictly defines and quantifies the definition of a high-quality business. Our investible universe is restricted to a limited set of ~125 businesses from India and the Globe that pass our stringent stress tests and we will construct a portfolio of 25 stocks from this universe.

- Stress tested companies possess the ability to generate a high return on capital in cash.
- We seek businesses that make investments for growth and therefore we look at the adjusted return on capital employed.
- We look for businesses that can sustain their returns on capital across cycles. As a result of our stringent investible universe sectors like PSU, Infra, heavily leveraged companies, capital intensive businesses, cyclical businesses won't be a part of the fund.

Try to buy at an efficient price

Our universe of companies will always be relatively expensive than the rest of the market and we are willing to pay that premium for the quality but we constantly remind ourselves of trying to avoid paying too large a premium. By avoiding paying inefficient prices even for wonderful stress tested efficient businesses we will try to buy efficient companies at efficient pricing.

Maintain efficient portfolio turnover and reduce dealing & impact costs

The total expense ratio is not the only cost in mutual funds, there is a hidden cost that is not disclosed i.e brokerage and voluntary dealing cost. Our internal research suggests that hyperactive fund managers who run portfolio turnovers exceeding 100%, end up incurring these additional undisclosed costs of up to 1.4 per cent each year on top of the “total” expense ratio.

The third pillar of our strategy is aimed at reducing these hidden costs and consequently improving performance

Samco Mutual fund is the first mutual fund in India that will transparently disclose all voluntary dealing costs. Voluntary dealing costs are all costs incurred by the fund manager for purchases and sales excluding the costs incurred for involuntary transactions such as fund inflows/outflows. This shall be computed as a percentage of the AUM. This will help investors compute the total cost of investments which is a sum of the TER and voluntary dealing costs.

Samco Flexi Cap Fund -

Key highlights



No Derivatives, No Hedging

Samco's Scheme Information document is the simplest in the Industry. We only have 3 permissible assets - Indian Equities, Global Equities and TREPS (Cash equivalents). Samco flexi cap fund will not invest in debt instruments.



Pioneering transparency and truly Active Funds

Samco Mutual Fund will transparently disclose active share to Indian Investors, so they know that when they are paying an active fee, it's certainly for buying something widely different from the Index.

Active share measures the fraction of a portfolio (based on position weights) that differs from the benchmark index. It will always fall between 0% and 100% where 0% will indicate a truly passive index fund and a higher percentage closer to 100% will show true active management with portfolio stocks diverging from the benchmark. A high level of active share demonstrates that we manage a truly distinctive portfolio.



A well-defined exit framework

A lot of emphasis in the investment process is laid on when should a stock be bought but very little is said or written about when you should exit a stock. At Samco, we follow a strict and well-defined exit framework and will only exist when one of the following exit criteria is met.

- A business subsequently fails the Hexashield stress test as a part of our ongoing evaluations.
- We end up finding an extremely compelling opportunity outside our 25 stock portfolio from our 125 stock investible universe.
- Our winners hit the SEBI prescribed 10% ceiling.
- Valuation becomes indefensible.

Scheme Features

Type of scheme	An open-ended dynamic equity scheme investing across large cap, mid cap, small cap stocks	
Plans	Regular Plan - Growth & Direct Plan - Growth	
Minimum Application Amount Minimum	₹ 5000 and in multiples of ₹ 1/- thereafter	
Additional Application Amount Minimum	₹ 500 and in multiples of ₹ 1/- thereafter	
SIP Amount	₹ 500 and in multiples of ₹ 1/- thereafter	
Entry Load	Not applicable	
Exit Load	<ul style="list-style-type: none">• 2.00% if the investment is redeemed or switched out on or before 365 days from the date of allotment of units• 1.00% if the investment is redeemed or switched out after 365 days but on or before 730 days from date of allotment of units.• No Exit Load will be charged if investment is redeemed or switched out after 730 days from the date of allotment of units.	
Fund Manager	Ms. Nirali Bhansali Fund Manager - Equity	Mr. Dhawal Dhanani Dedicated Fund Manager for overseas investments
Benchmark Index	Nifty 500 Index TRI	



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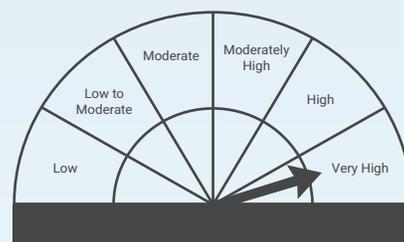
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This product is suitable for investors who are seeking *:

- To generate long-term capital growth;
- Investment in Indian & foreign equity instruments across market capitalization;

*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.

Risk-o-meter



Investors understand that their principal will be at very high risk

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