

Why Indian small and mid cap equities deserve a place in your investment portfolio?

The India Opportunity

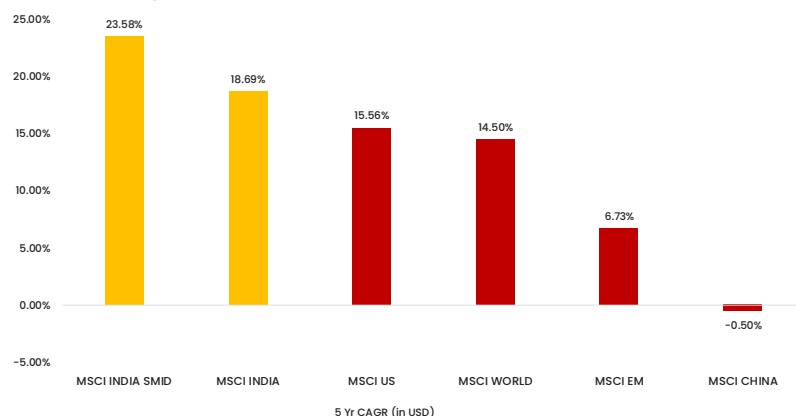
India presents a compelling investment opportunity for global investors as it remains the fastest growing major economy in the world with an estimated GDP growth of 6.4% for FYE25 and is poised to become the 3rd largest economy by 2028. (Source: Economic Survey 2024-2025 and IMF).

India benefits from demographic dividend with 2nd largest working population of 607 Mn with a median age of 29 years (one of the youngest globally). India's middle class population proportion is expected to nearly double to 61% of its total population (1.6 Bn people) by 2047, up from 31% in 2020-21 (432 Mn people) driving the consumption and premiumization theme and going forward, India is expected to reap benefits from the digital, financial, political & regulatory infrastructure established in the last decade.

Indian equity markets are the 5th largest globally with a total market capitalization of USD 5.0 Tn as on Apr 30, 2025. The markets also offer high liquidity for investors with 190+ stocks with market capitalization of more than USD 5 Bn (4th highest globally).

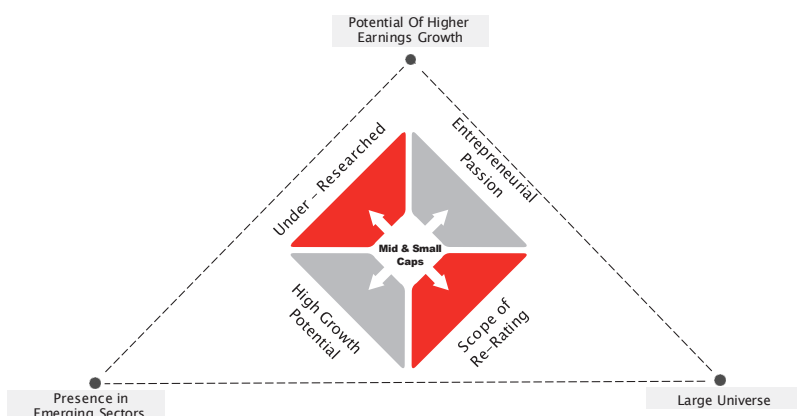
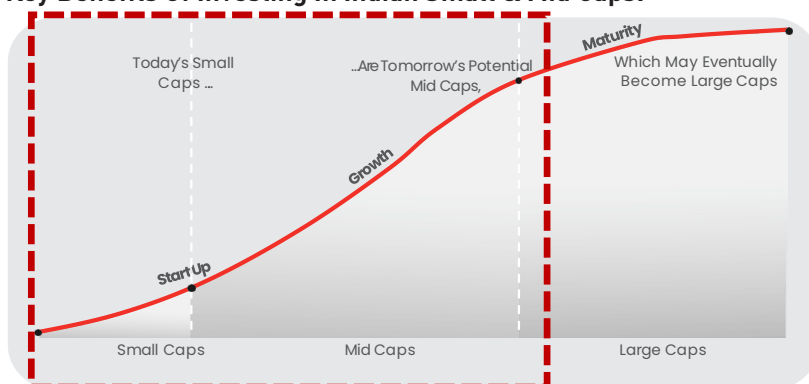
The MSCI India Index has outperformed the MSCI Emerging markets over the past decade, with the MSCI India SMID Index (representing small and mid-cap firms) showing even stronger performance. The small and mid-cap segments have outperformed the large-cap segment, driven by sector-specific growth in areas such as financial services, healthcare, and chemicals.

India Has Outperformed Global Markets In The Last 5 Years



Data as on 30th April 2025, Source: Bloomberg

Key Benefits Of Investing In Indian Small & Mid Caps:



The Indian Small and Mid Cap Space:

Total number of stocks currently being traded on the Indian bourses number ~5600 with ~USD 5.0 Tn. in Market Cap.

Mid-cap stocks:

- Companies ranked 101 to 250 by market capitalization.
- Market cap: USD 4 Bn to USD 12 Bn.
- In last 10 years, the NIFTY Midcap 100 index has given an annualized return of USD 13.38% as on 30 April 2025.

Small-cap stocks:

- Companies ranked 251 to 500 by market capitalization.
- Market cap: Less than USD 4 Bn.
- In last 10 years, the NIFTY Smallcap 100 index has given an annualized return of USD 9.72% as on 30 April 2025.

About the Company

Nippon Life India Asset Management (Singapore) Pte. Ltd. (NAM Singapore) :

- MAS Licensed, incorporated in Singapore since 2005.
- 100% subsidiary of Nippon Life India Asset Management Ltd. (NAM India).
- India specialist, managing only India centric Equity and Fixed-Income Strategies.

NAM Singapore's Parent company, **NAM India** established in 1993 is one of the oldest (~30-year proven track record) and largest AMCs in India managing ~USD 76 Bn of assets as on 31st March 2025.

NAM India is a listed company with Nippon Life Insurance Japan (NLI) being the promoter entity holding 72.32% of the company's paid-up capital as on 31st March 2025.

NAM India manages the largest Small Cap Fund in India, with an AUM of ~USD 6.5 Bn, and one of the largest Mid Cap funds in India, with an AUM of ~USD 3.8 Bn (as of March 31, 2025).

The equities investment team comprises 28 individuals with a cumulative experience of over 450 years, managing ~USD 54 Bn assets in Indian equities as on 31st March 2025. The team includes senior portfolio managers, research analysts, and equities dealers, covering more than 480+ equities in the Indian capital market. The firm's robust research and investment approach have contributed to the exceptional performance of its funds.

Nippon India Small & Mid-cap Equities Fund (UCITS Small & Mid Cap Strategy)

Nippon India Small and Mid-Cap Equities Fund focuses on identifying and investing in high-growth potential small and mid-cap companies in India. MSCI India Small and Mid-Cap (SMID) Index acts as the fund's benchmark, which is a Small and Mid-Cap focused index.

The fund is domiciled in Dublin and is managed by NAM Singapore who in turn utilizes the parent NAM India's research expertise and capabilities.

The fund aims to generate alpha by leveraging the extensive research and investment expertise of NAM India focusing on bottom-up stock picking, thus providing a unique investment opportunity for global investors to participate in the growth of India's small and mid-cap companies.

Being a daily liquidity fund the funds aims to maintain strategic large cap allocation to manage the volatility and illiquidity which naturally comes in while investing into the Indian Small & Mid-cap space.

Nippon India Equity Fund (UCITS Multi Cap Strategy)

In case investors would like to have bit conservative approach towards their India investments, they can look towards investing into the Nippon India Equity Fund. This strategy is a multi-cap strategy which majorly invests into large caps thus offering lower volatility and better liquidity. It is suitable for those investors who are looking to invest into India for the very first time.

