

Why Invest in Small Caps?

CANARA ROBECO
Mutual Fund



Benefits of Investing in Small Cap



SCALABILITY + POTENTIAL RERATING = MULTIBAGGER OPPORTUNITY

Small Cap space has been a fertile ground for multi-baggers if you can identify the right businesses

NIMBLE FOOTED & ADEPT TO CHANGES

Small Cap companies typically are nimbler and adapt quickly to changing economic conditions

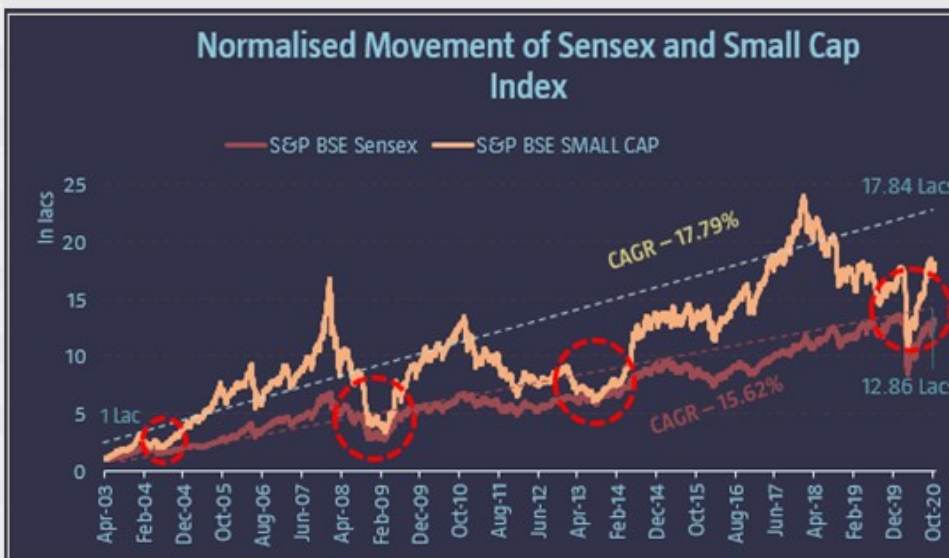


PROMOTER COMMITMENT

Small Cap companies generally have large promoter holding, making their long-term interests more aligned with shareholders



Small Caps have Outperformed Large Caps over the Long Term



- ✓ Small caps have created wealth for investors
- ✓ In every upcycle, they contribute some winners to the midcap category
- ✓ Some of the large caps today were small cap in the early 2000s

Source – ICRA MFI Explorer. Data from 1st April 2003 till 30th Oct 2020. Movement of the indices normalized from 1st April 2003. Graph shows the value of Rs. 1 Lac invested at inception. Returns are CAGR. For Large Cap Illustration data considered is of S&P BSE SENSEX and for Small Cap, S&P BSE Small Cap Index

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