

## **PRESS RELEASE**

### **Samco Mutual Fund introduces a differentiated ELSS Tax Saver Fund that shall predominantly invest in Mid and small cap companies.**

- **'Samco ELSS Tax Saver Fund'** shall primarily invest in high-quality mid and small sized companies that carry a higher growth potential and can offer superior risk-adjusted returns over the long term.
- The fund has a unique differentiation i.e., have predominantly high exposure in mid and small-sized, high-quality, growth-oriented businesses which exhibit dominant market share, high pricing power, good corporate governance standards, and stronger balance sheets.
- NFO opens on 15th November 2022 and closes on 16th December 2022

**Mumbai, November 2<sup>nd</sup>, 2022:** Samco ELSS Tax Saver Fund will be a portfolio of efficient Mid-Cap and Small-Cap businesses with a mandatory 3-year lock-in period in an ELSS as a classic way for wealth creation.

To help investors invest in fundamentally strong businesses which have a higher potential of becoming the wealth creators of tomorrow, Samco ELSS Tax Saver Fund makes use of the HexaShield Framework, a proprietary strategy driven by technology, to filter out an investible universe of high-quality efficient stocks. The Fund Management Team analyses companies from this investible universe to construct a portfolio of growth-oriented businesses with high adjusted return on capital employed.

On a 3-year average rolling returns basis, the Nifty MidSmallCap 400 index has returned 8% higher returns compared to the Nifty500 index since April 1, 2005, (Disclaimer: past performance may or may not sustain in future. Please note that these are returns of an Index and not of any particular scheme). The volatility around holding Mid-Cap and Small-Cap businesses also smoothens out significantly in the 3-year time horizon compared to a 1-year holding period. Hence, an investor can generate higher risk-adjusted returns by investing in such a fund that has exposure to Mid-Cap and Small-Cap businesses by mandatorily holding the portfolio for at least 3-years.

There is a myth in the industry that generally Mid-Caps and Small-Caps are poor-quality businesses just because of their size. In reality and on the contrary some of these businesses are leaders in their respective categories, having robust earnings growth, high stickability, strong intangibles, and high pricing power despite their smaller size. It is essential to understand the traits of businesses to invest in the right ones which can become giants of tomorrow because a Mid-Cap stock in its life faces two outcomes - a mid-Cap could become a Small-Cap i.e. Wealth Destructor, or a Mid-Cap could become a Large-Cap i.e. Wealth Creator.

### **Samco ELSS Tax Saver Fund invests predominantly in Mid and SmallCap stocks**

Most ELSS Funds in India have majority exposure to Large-Cap stocks, and the constitution of their top holdings are usually the same few stocks. Because of this, it can get very difficult for an investor to differentiate one fund from the other. Samco Tax Saver Fund is unique because of its pre-dominant exposure to Mid-Cap and Small-Cap high growth stocks which offer great potential but at the same time, higher volatility is also smoothed out due to the mandatory 3-year lock-in period.

**SAMCO Mutual Fund will disclose the Active Share of its ELSS Tax Saver Fund daily on its website.**

**Umeshkumar Mehta, CIO of Samco Asset Management Pvt. Ltd.** said *"The Large-Cap stocks you invest in today were also Mid-Caps sometime in the past, and in this transition from being a Mid-Cap to a Large-Cap immense wealth has been created for an investor. With the Samco ELSS Tax Saver Fund, we are enabling an investor to avail the benefits of*

tax saving under Section 80C and get exposure to efficient growing Mid and Small-Cap businesses for at least a 3-year time horizon. The idea is to enable an investor to be a part of India's growth story through investments in mid and smaller-sized leaders of niche sectors because these businesses could become future drivers of growth for our country, taking them on an exponential compounding trajectory."

"Historically, Nifty MidSmallCap 400 TRI has generated an alpha of ~8% compared to Nifty 500 TRI on a 3- year average rolling return basis. A portfolio of Mid & SmallCap companies with 3-year lock-in feature would be a solid combination to generate high risk-adjusted returns," Umesh added further.

**Viraj Gandhi, CEO of Samco Asset Management Pvt. Ltd.** said "SAMCO Mutual Fund endeavours to empower retail investors and provide solutions that allow them to make smarter decisions in their investment journey. Being true to SAMCO's DNA of curating active innovative products, the ELSS fund would be investing predominantly in high-potential Mid & SmallCap companies."

**DISCLAIMER: MUTUAL FUND INVESTMENTS ARE SUBJECT TO MARKET RISKS, READ ALL SCHEME RELATED DOCUMENTS CAREFULLY.**

**Disclaimer: Past performance may or may not sustain in the future.**

#### **Samco Asset Management Pvt Ltd**

Samco Asset Management Pvt Ltd <https://www.samcomf.com/> is the asset manager to the Samco Mutual Fund having SEBI registration No MF-077/21/03 having its registered office at 1003-A, 10<sup>th</sup> Floor, Naman Midtown, Senapati Bapat Marg, Prabhadevi(W), Mumbai 4000013. Samco Mutual Fund has around 60000 investors spread across 4000 cities and towns in India.

Details about the Sponsor, SAMCO Securities Limited, <https://www.samco.in/> is a wealth-tech start-up headquartered in Mumbai, which is one of India's fastest-growing companies in the Discount Broking Industry. The company aims to solve problems at an extremely affordable cost for its customers who actively trade or invest in the Indian capital markets using algorithms, data science, and artificial intelligence.

Details about the Trustee Company, Samco Trustee Pvt Ltd is the trustee to Samco Mutual Fund having its registered office at 1003-A, 10<sup>th</sup> Floor, Naman Midtown, Senapati Bapat Marg, Prabhadevi(W), Mumbai 4000013.

***Disclaimer: Past performance is not an indicator of future returns.***

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