

Round Table 2:

“Asset Management Industry: Meeting the Needs of the Fast-Growing Economies”

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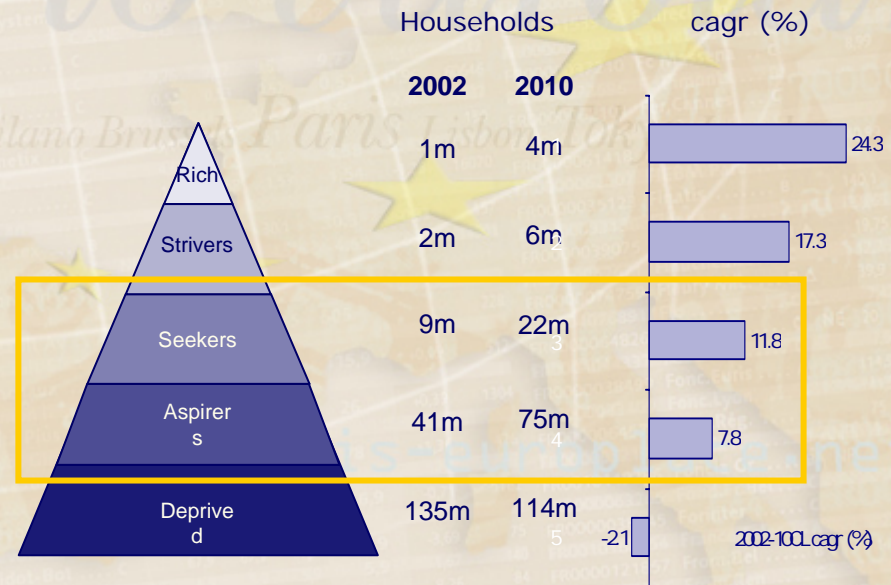
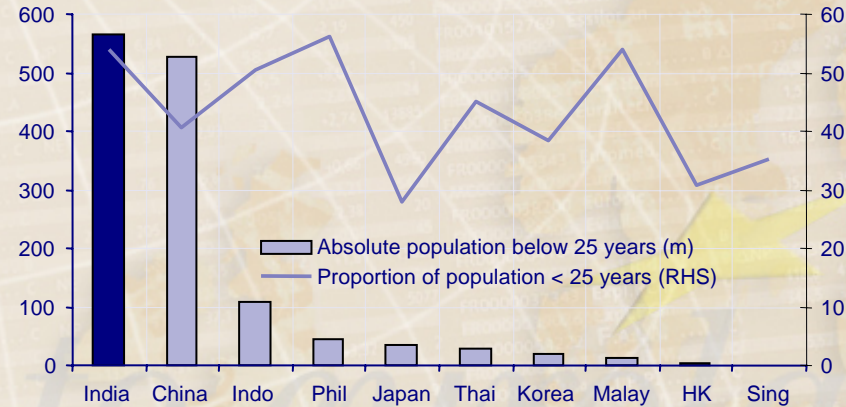
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your hub to euroland **India**
An attractive investment destination

T.P RAMAN,
Chief Executive Officer,
Sundaram BNP Paribas Asset Management Ltd.

India has an attractive demographic profile stimulating economic growth

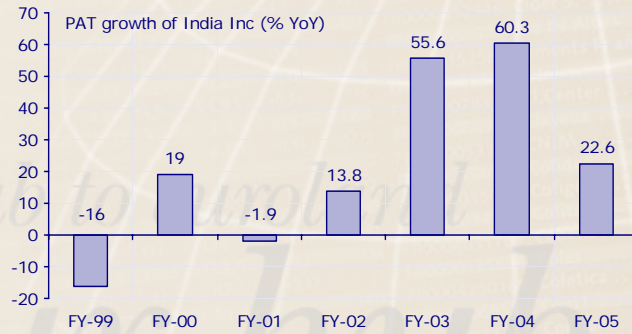
- Population of over 1 bn.
- A quarter of the world's youth live in India
- High level of consuming population in comparison to other countries in the region
- Demographic mix expected to shift further in favour of the consuming class (25 – 44 years)
- Consumption fueled by rising income levels among the consuming group



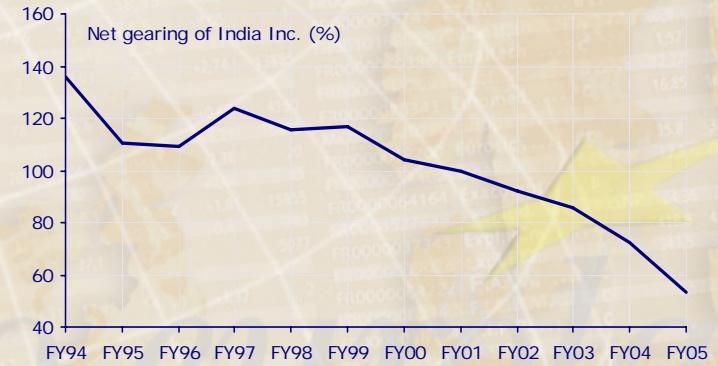
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Corporate India provides a compelling value proposition

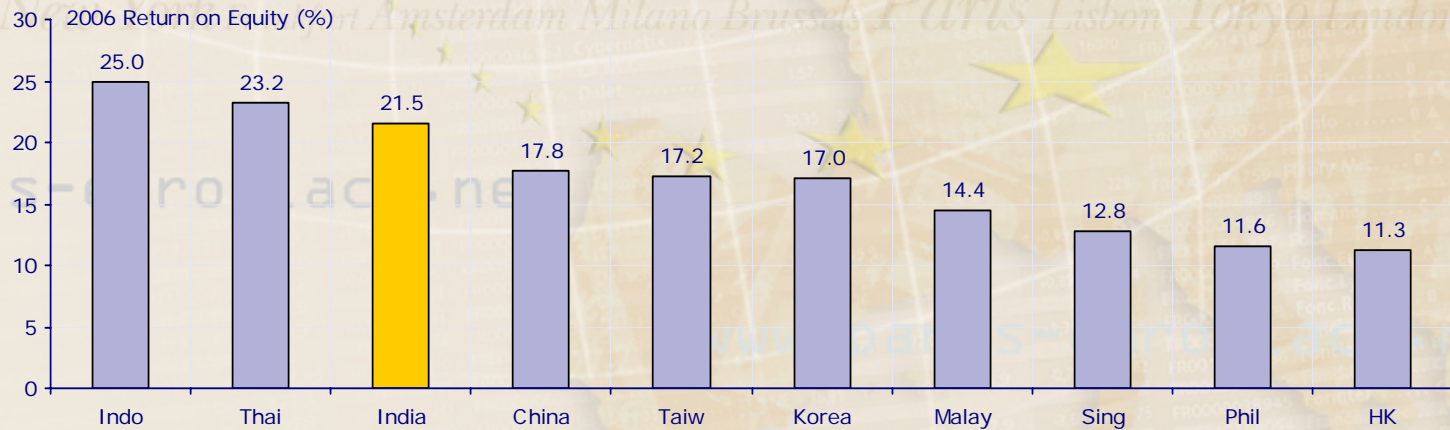
Corporate profitability is on the rise...



Balance sheets have become stronger...

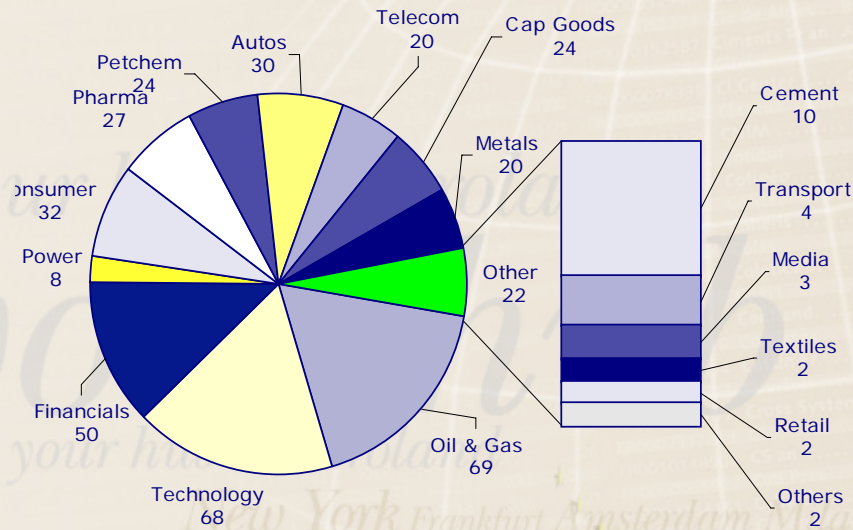


And is reflected in India's RoE which is among the best in the region

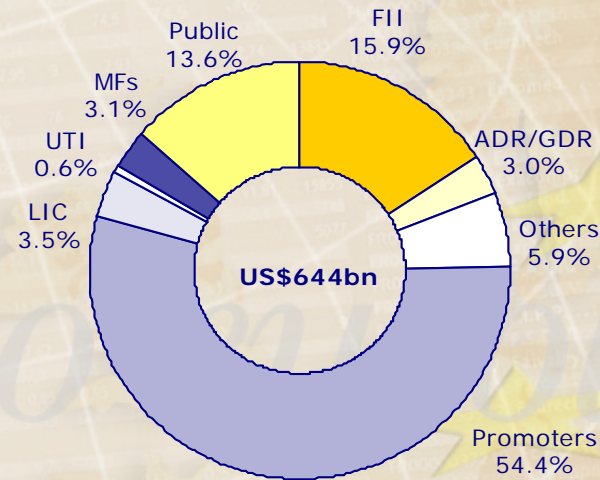


Indian markets reflect breadth

... of industry coverage



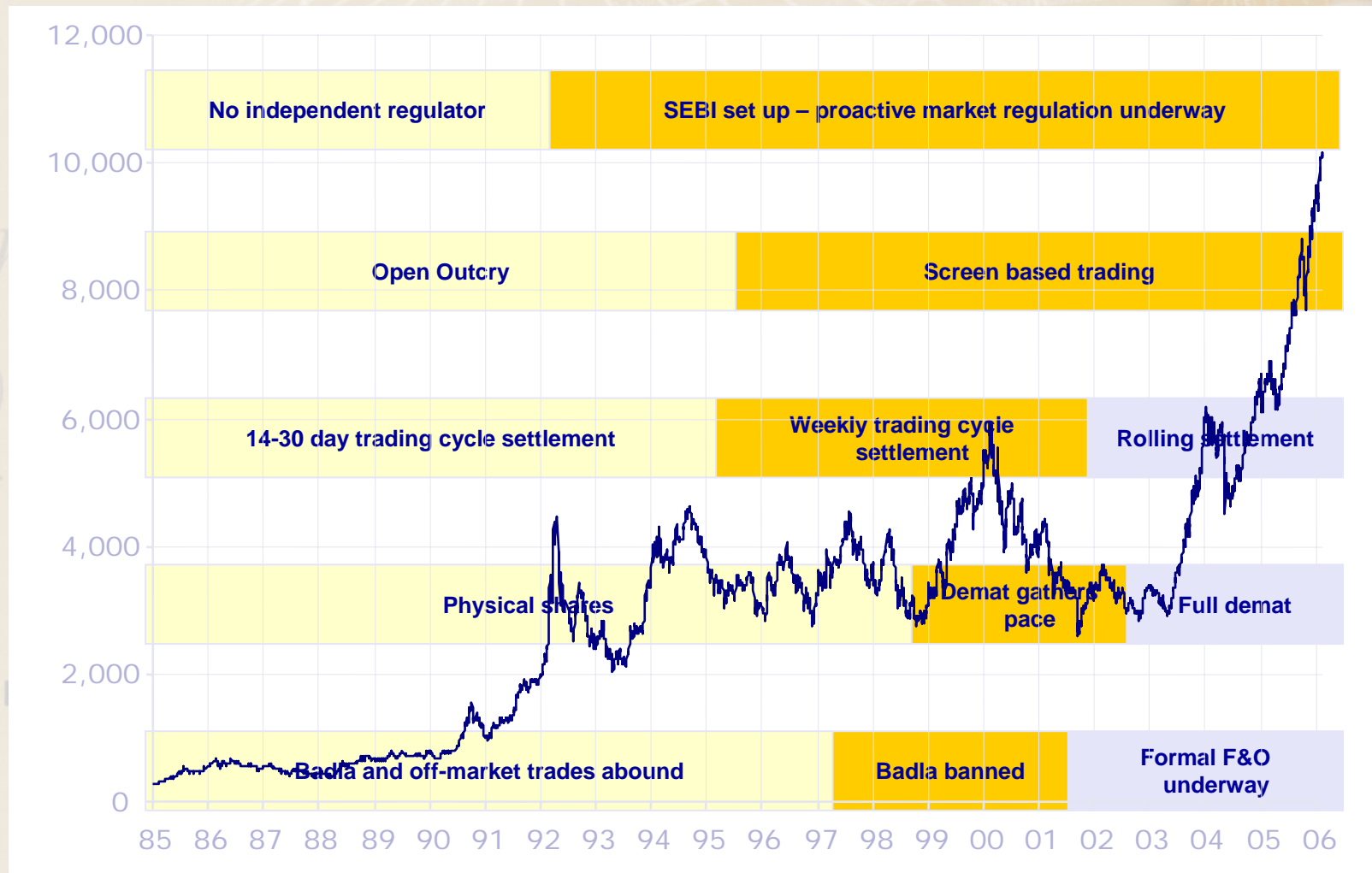
... and ownership



Industry coverage ranks among the best in the region

FII's the largest investing class after promoters

Indian markets offer a conducive investing environment ...



... with a high level of investor protection

India is ranked #3 in region on corporate governance, 11 Indian companies in the top 50 CG companies in Asia

- SEBI – a powerful watchdog
- Strong insider trading regulations

High level of disclosure requirements for investor information

- Quarterly results
- Half-yearly audit of accounts
- Related party transactions
- Segmental reporting
- Shareholding pattern & promoter dealings

Board independence – at least a third should be independent directors, half if the Chairman is executive

Indian GAAP almost fully aligned with international GAAP

Top CG Countries

Singapore

Hong Kong

India

Malaysia

Korea

Taiwan

Thailand

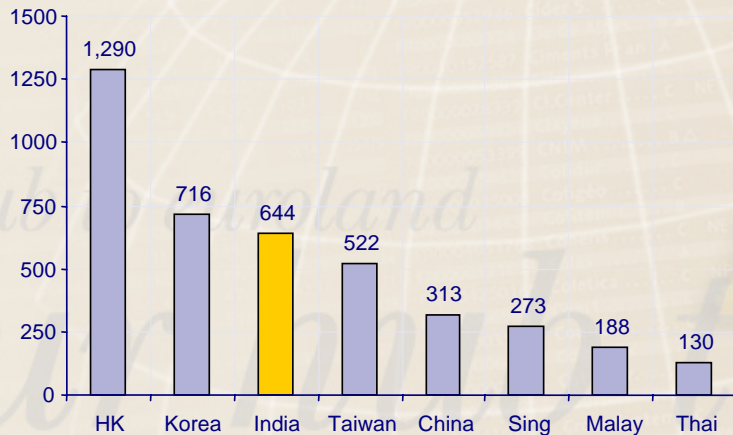
Philippines

China

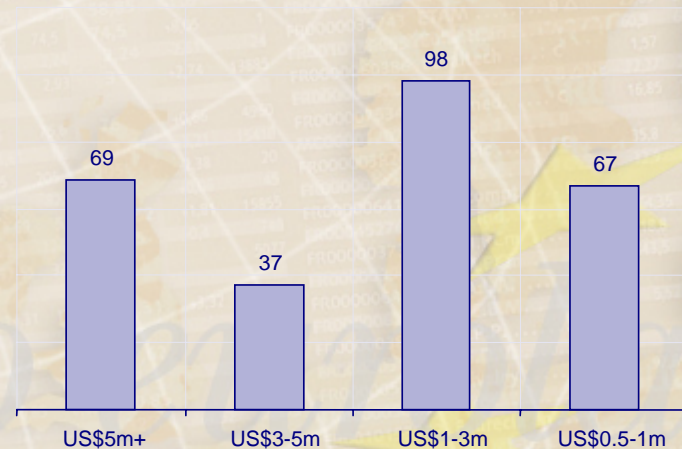
Indonesia

India's attractiveness as an investment destination is reflected in market indicators

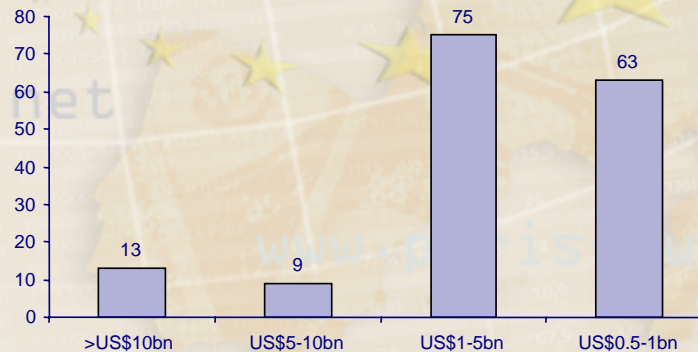
Market Capitalisation (US\$ bn)



3m Daily Average Turnover (# of Companies)



Market Capitalisation Range & # of Companies



Based on BSE 500 Index which captures 90% Market Capitalisation

Sundaram BNP Mutual – Products and Performance

Fund	Benchmark	Returns				Ratios			
		3M	12M	2Y*	3Y*	Std. Dev.	Beta	Sharpe	Treynor
Sundaram BNP..									
..Growth	<i>BSE 200</i>	1.32 <i>-0.4</i>	59.28 <i>45.04</i>	52.75 <i>44.98</i>	57.07 <i>46.89</i>	7.14	0.93	0.52	3.99
..Select MidCap	<i>BSE Midcap</i>	22.16 <i>0.05</i>	96.45 <i>54.83</i>	90.49 <i>63.20</i>	84.18 <i>63.52</i>	7.32	0.77	0.70	6.62
..Focus	<i>Nifty</i>	4.75 <i>-0.12</i>	71.93 <i>47.11</i>	54.23 <i>43.87</i>	55.26 <i>45.03</i>	7.34	0.91	0.49	3.98
..India Leadership	<i>Nifty</i>	1.12 <i>-0.12</i>	72.78 <i>47.11</i>	-	-	-	-	-	-
..S.M.I.L.E	<i>BSE 500</i>	3.36 <i>0.01</i>	49.40 <i>46.96</i>	-	-	-	-	-	-
..Capex Opportunities	<i>Capital Goods Index</i>	8.21 <i>-0.01</i>	-	-	-	-	-	-	-
..Tax Saver	<i>BSE 200</i>	1.37 <i>-0.4</i>	61.49 <i>45.04</i>	75.64 <i>44.98</i>	67.17 <i>46.89</i>	7.90	0.95	0.54	4.52

Indian mutual fund industry

	(Rs. in billion)					
Particulars	1997	2000	2005	2006	2008	2010
AUM	655	1130	1496	2319	3000	4000
UTI	538	765	291	451	*600	*800
Institutions	85	114	30	52		
Pvt. Sector	32	251	1175	1816	2400	3200
* Includes both UTI & Public Sector						

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Product types

	(Rs. in billion)					
Particulars	1999	2000	2005	2006	2008	2010
Fixed Income	483	504	522	634	540	900
Equity	170	336	384	995	1000	1200
Balanced/Hybrid	19	268	49	75	480	*1000
Money Fund	10	22	541	614	980	900
*Structured Products would emerge as a significant asset class						

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Pavillon d'Armenonville

Tuesday 4 & Wednesday 5 July, 2006

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