

Ready to follow the sheikh's path to success?



INTRODUCING
Sundaram BNP Paribas
Select Thematic Funds
ENERGY OPPORTUNITIES

3-year close-end equity scheme

NEW FUND OFFER
Opens 12th Nov. '07
Closes 11th Dec. '07

India has discovered new energy sources. Our abundant gas finds are about to create a demand surge like the one witnessed in telecom when the sector was opened up. India's power, fertiliser, manufacturing and gas distribution sectors are thirsting to absorb all the new energy finds. The fund will invest in the exciting potential of Indian companies in the energy sector and in beneficiary industries.

Ready to take advantage of India's Energy Opportunities?

What is the story in energy?

10 years ago, getting a telephone connection entailed waiting a year or more. Making STD calls, much less overseas calls, was the privilege of a very wealthy few. Today we have more than 200-million mobile and fixed telephone connections and it is slated to rise, to close to 500 million within the next few years. Could we have imagined that such sweeping changes would have happened, in such a short span of time? And more importantly, that the players who brought about this change, the likes of Bharti Airtel, Reliance Communications and Idea Cellular - would create such wealth for their investors?

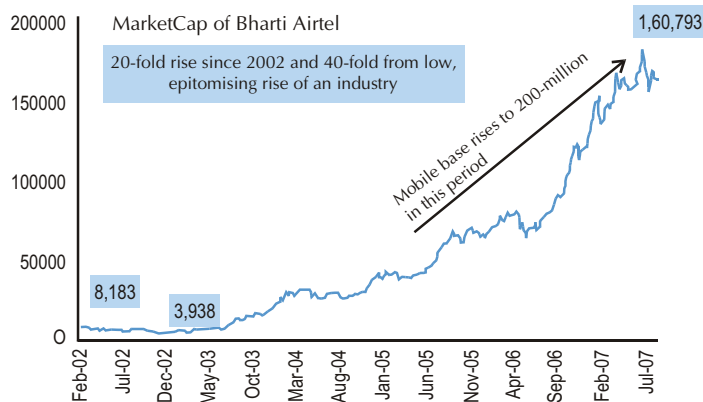
Now, a similar story is set to be enacted in the area of energy (oil and gas producers, transmission and distribution companies, capital equipment manufacturers and beneficiaries of availability of abundant energy), which we believe would offer similar wealth creation opportunities

Consider this. Conservative estimates show that India can absorb 9% more petro-products every year, over the next 5 years. Demand for gas is set to double in 5 years.

Luckily gas supplies are set to expand by 150% in the next 5 years. The value of the new oil & gas finds will be 90% of current software exports and 2.9% of current GDP.

Sundaram BNP Paribas Energy Opportunities seeks to capitalise on this evolving theme to deliver value for investors. The fund will invest across sectors and in large, mid and small-cap stocks.

An analogy: Wealth creation in telecom.
Gas market is now in a similar position.



Source: Bloomberg

1 Energy, today's big opportunity

Here's a quick snapshot of what is changing in the Indian energy scenario:

New policies, and new finds...

- Liberal government policy - New Exploration and Licensing Policy (NELP)
- Announcement of multiple oil & gas finds in Krishna - Godavari basin, Cauvery Delta and in the North East by companies such as Reliance Industries, Cairn Energy, ONGC and Gujarat State Petroleum Ltd.
- Creation of a new infrastructure
- Imminent commencement of production

will lead to...

- Enhanced power availability
- Replacement of higher cost fuels
- Lower energy costs across the economy
- Supply-led expansion in usage and demand

that will create...

- Enhanced efficiency for manufacturers
- Newer applications
- City-gas networks

all of which will benefit...

- Energy producers
- Providers of capital goods, products and services, who'll be needed to create a basic energy infrastructure
- Manufacturers of pipes and relevant equipment since they'll be needed to develop a distribution network
- Energy-intensive sectors such as fertilisers, cement, metals, ceramics and chemicals

leading to...

- Phased resolution of regulatory issues (similar to what happened in telecom) leading to further exploration and commercialisation
- Emergence of large oil / energy companies, new listed players, spin-off of businesses from existing companies and transformation of a few mid-cap companies into large-caps – all of which will be wealth creating opportunities

2 How will these opportunities be exploited?

We have scrutinised companies in indices such as the S&P CNX 500, BSE 500, BSE Mid-Cap and BSE Small-Cap. We find the addressable investment opportunity is significant across market capitalisations and sectors. The providers of support products / services and the beneficiaries are spread across sectors. The table summarises the potential investment universe. The portfolio is likely to have a large-cap tilt because of the state of the opportunity now.

Category	Market Cap Rs. Crore	%
Energy Infrastructure	5,10,871	35.2
Energy Suppliers	5,90,620	40.8
Beneficiaries	3,47,423	24.0
Total	14,48,914	

Potential universe accounts for about 35 per cent of the market-cap of listed companies in India
Source: Bloomberg

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3 What are the risks?

- Delays and slower pace of commercialisation of gas and oil finds
- Government policy on pricing and distribution of petro-products
- Significantly lower commercial output in relation to the size of the oil or gas discovery
- Regulatory hurdles that impede growth and take more-than-reasonable time frames to be sorted out
- Geo political developments and government intervention in pricing
- Slower-than-expected pace of development and usage of oil and gas in user industries

4 Fund facts

Investment Objective: To seek long term capital appreciation by investing primarily in equity and equity-related instruments of companies in the domestic market that predominantly focus on or benefit from, directly or indirectly, the opportunities and developments in the energy sector.

Fund Type: A thematic close-end equity scheme that will convert automatically into an open-end scheme on completion of three years.

Offer Price: Rs 10 per unit.

Asset Allocation: equity and equity related instruments in the targeted theme 65-100%; equity and equity related instruments that are outside the theme 0-35%; Treasury Bills, CBLO, Reverse Repo: 0-15%

Entry Load: Nil.

Exit Load: Nil (redemption at applicable NAV after deducting proportionate unamortised expenses).

Minimum application amount: Rs.5000.

Initial issue expenses: upto 6% of the mobilisation to be amortised over three year close-end period.

Benchmark: BSE Oil and Gas Index

About Sundaram BNP Paribas Mutual

Sundaram BNP Paribas Mutual is a member of BNP Paribas Investment Partners. The sponsors are Sundaram Finance and BNP Paribas Asset Management. Sundaram BNP Paribas Asset Management manages a range of equity and fixed-income products. It has consistently introduced new theme funds that have been top performers in their respective category. Research, quality compliance, rigorous risk management and customer service are our key strengths that ensure an enriching and pleasant investment experience. Assets Under Management on October 15, 2007: Rs.12,029.98 crores.



SUNDARAM BNP PARIBAS
MUTUAL
UNEARTHING OPPORTUNITIES

Copies of the offer document and application form with key information memorandum may be obtained from the offices of Sundaram BNP Paribas Mutual offices and its authorised distributors. **Fund Name:** Sundaram BNP Paribas Select Thematic Funds Energy Opportunities. The NAV will be computed on all working days and published in two newspapers. **Risk Factors:** Mutual Funds and securities investments are subject to market risks and there is no assurance or guarantee that the objectives of the scheme will be achieved. Past performance of the Sponsor, AMC/Fund does not indicate the future performance of the schemes of the Fund. Sundaram BNP Paribas Select Thematic Funds Energy Opportunities is the name of the scheme and does not in any manner indicate the quality of the scheme or its future prospects. Investors in the scheme are not being offered any guaranteed or indicated returns. The NAV of the scheme may rise or decline depending upon the factors and forces affecting the securities market conditions. The main types of risks to which the scheme is exposed are capital loss, market risk, liquidity risk and credit risk. Changes in Government policy in general and changes in tax benefits applicable to mutual funds may impact returns to investors. At times, liquidity of the scheme's investments may be impaired. **Key Scheme specific-risk factors** Delays and slower pace of commercialization of gas and oil finds; Government policy on pricing and distribution of petro-products; significantly lower commercial output in relation to the size of the oil or gas discovery; regulatory hurdles that impede growth and take more-than-reasonable time frames to be sorted out; geo political developments and Government intervention in pricing; slower-than expected pace of development and usage of oil and gas in user industries could impact the performance. **Statutory details:** Sundaram BNP Paribas Mutual Fund has been set up as a trust under the Indian Trusts Act, 1882 **Sponsors:** Sundaram Finance Limited & BNP Paribas Asset Management. **Investment Manager:** Sundaram BNP Paribas Asset Management Company Limited. **Trustee:** Sundaram BNP Paribas Trustee Company Limited. The Sponsors are not responsible or liable for any loss resulting from the operation of the schemes beyond the contribution of an amount of Rs. 1 lakh made by them towards setting up the Mutual Fund. **Please read the offer document carefully before investing.**