



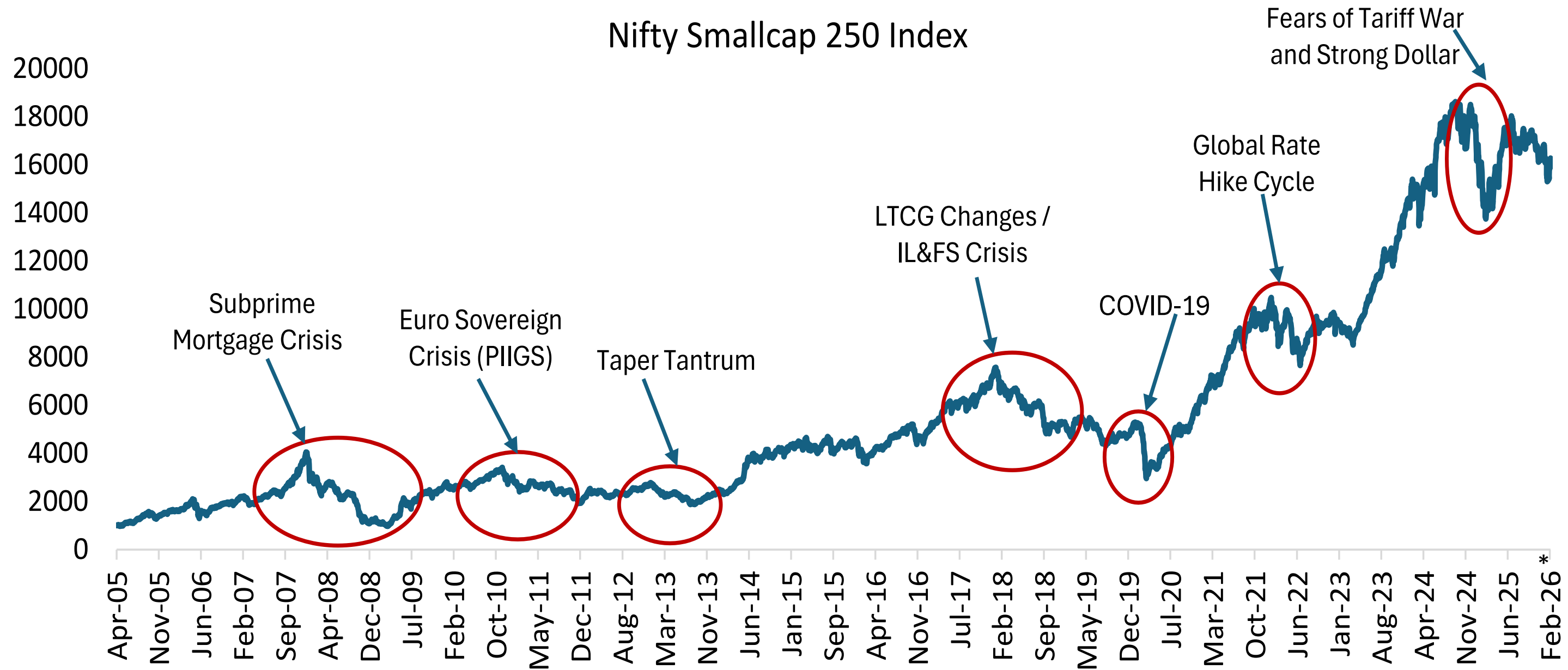
**BECAUSE
THE YOUNG
GROW FASTER.**

**Small Cap Investing -
Road to potential long
term wealth creation**

February 2026

Small Cap Price Index

Multiple Drawdowns seen in Small Cap Index over past two decades, but they have emerged stronger out of each crisis



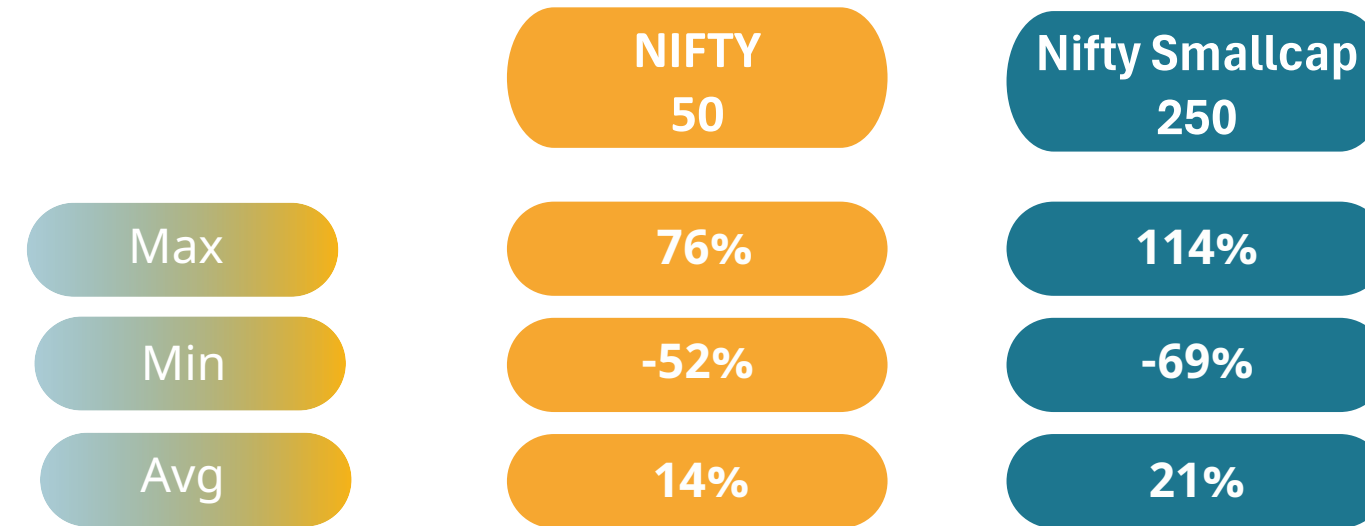
02 | Small Cap Presentation

Source: Bloomberg, **Past performance may or may not be sustained in future.**
The Above-mentioned returns should not be construed as any indication of future returns.

Calendar Year Returns

Small Caps have outperformed Nifty 50 over long term

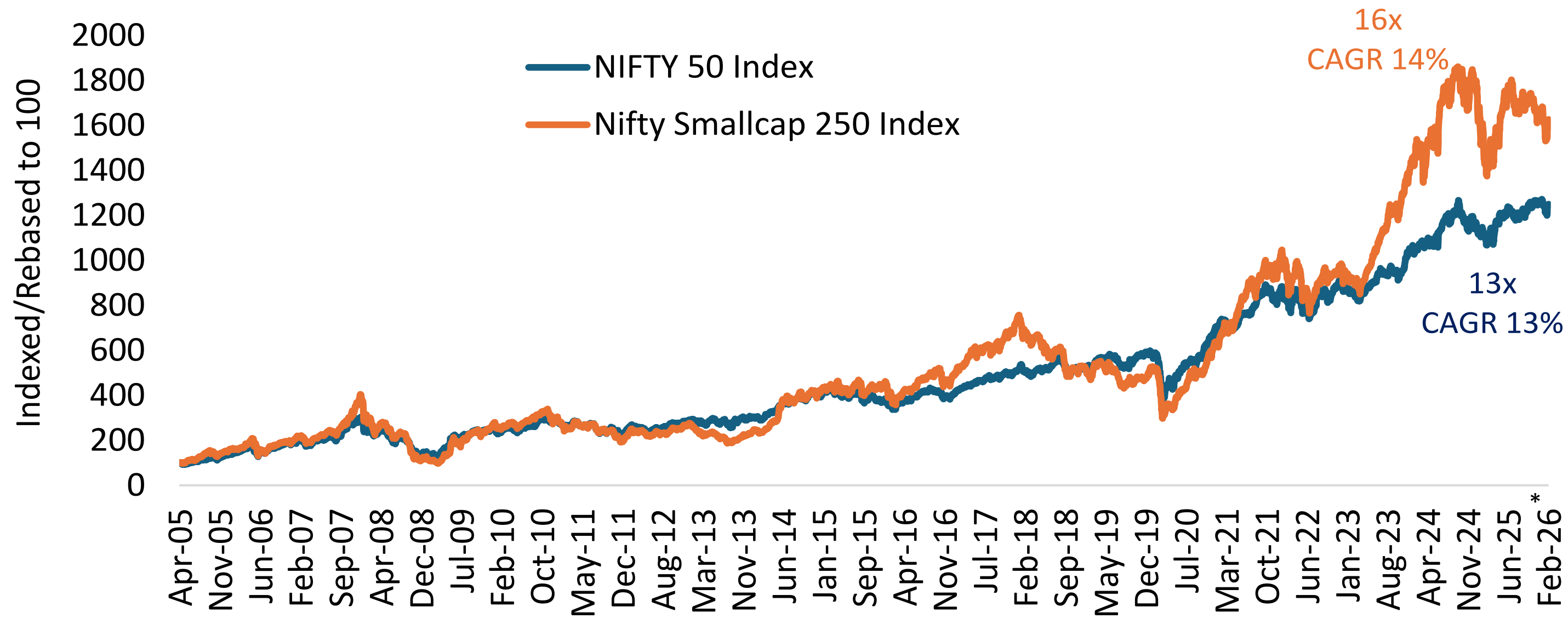
Year	NIFTY 50	Nifty Smallcap 250
2006	40%	31%
2007	55%	95%
2008	-52%	-69%
2009	76%	114%
2010	18%	16%
2011	-25%	-36%
2012	28%	38%
2013	7%	-8%
2014	31%	70%
2015	-4%	10%
2016	3%	0%
2017	29%	57%
2018	3%	-27%
2019	12%	-8%
2020	15%	25%
2021	24%	62%
2022	4%	-4%
2023	20%	48%
2024	9%	26%
2025	11%	-6%
2026*	-1%	-2%



*Data as of 9th Feb 2026

Small cap has potential for long term wealth creation

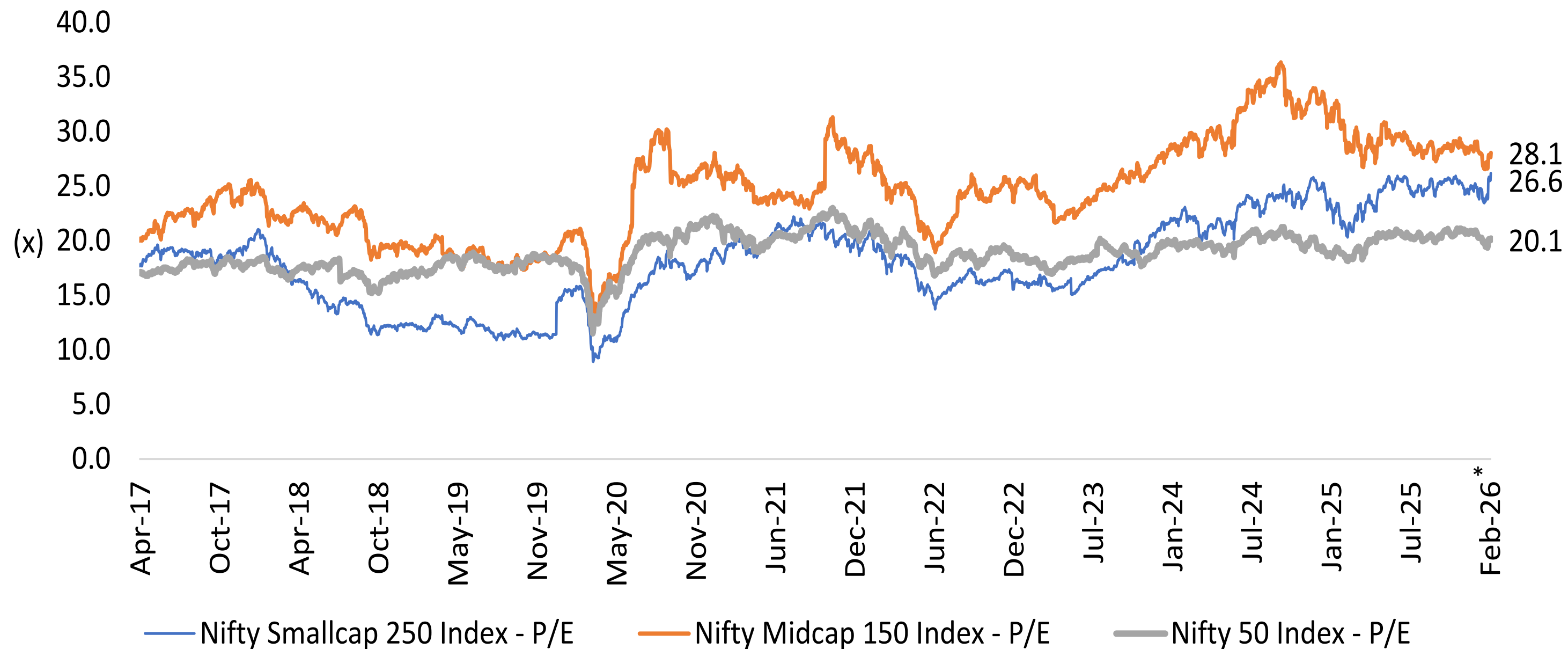
Time spent in the market is more important than timing the market



* Data as of 9th Feb 2026

Small Caps trading at Reasonable Valuation

12month forward P/E Ratio



*Data as of 9th Feb 2026

05 | Small Cap Presentation

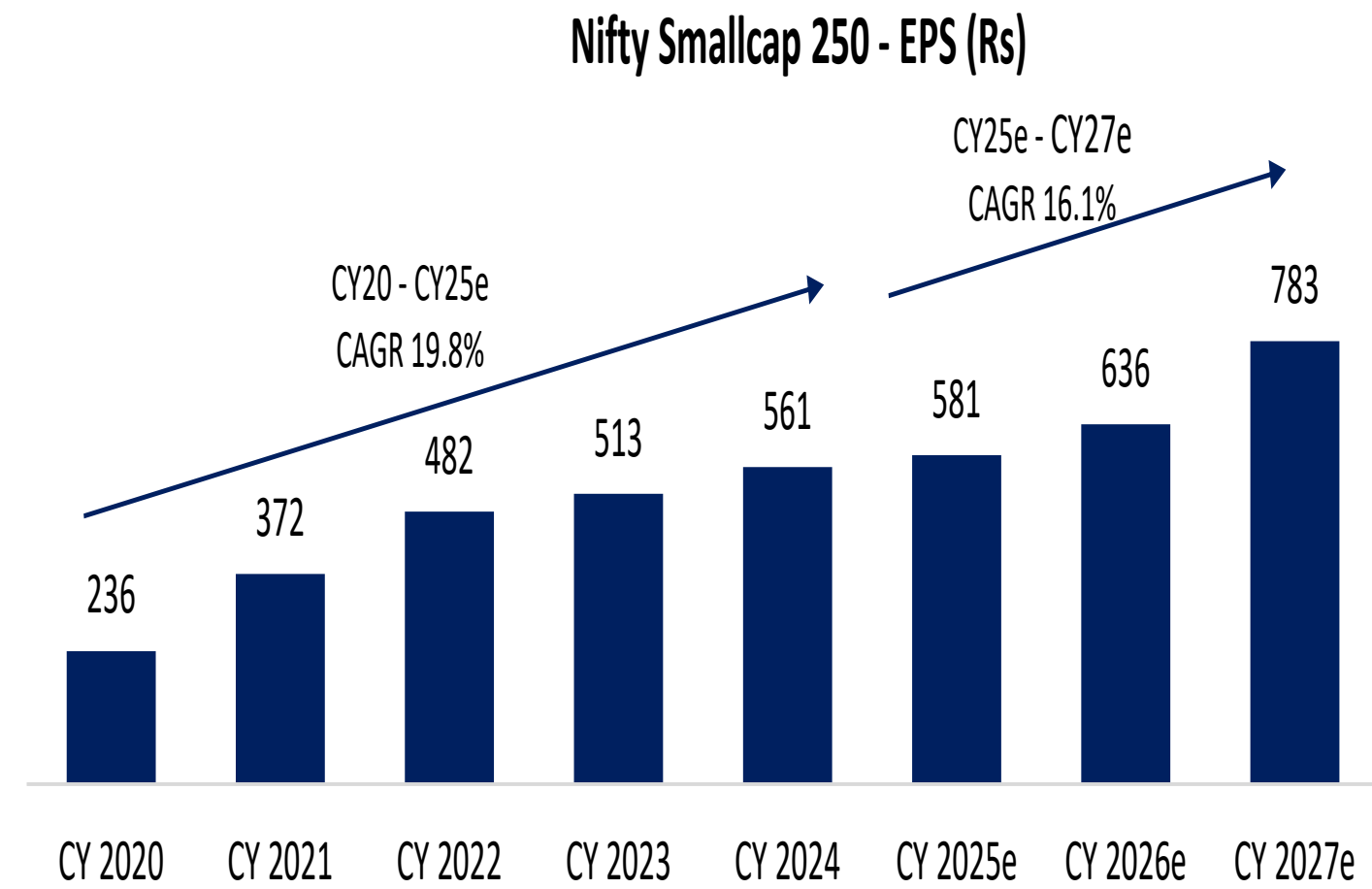
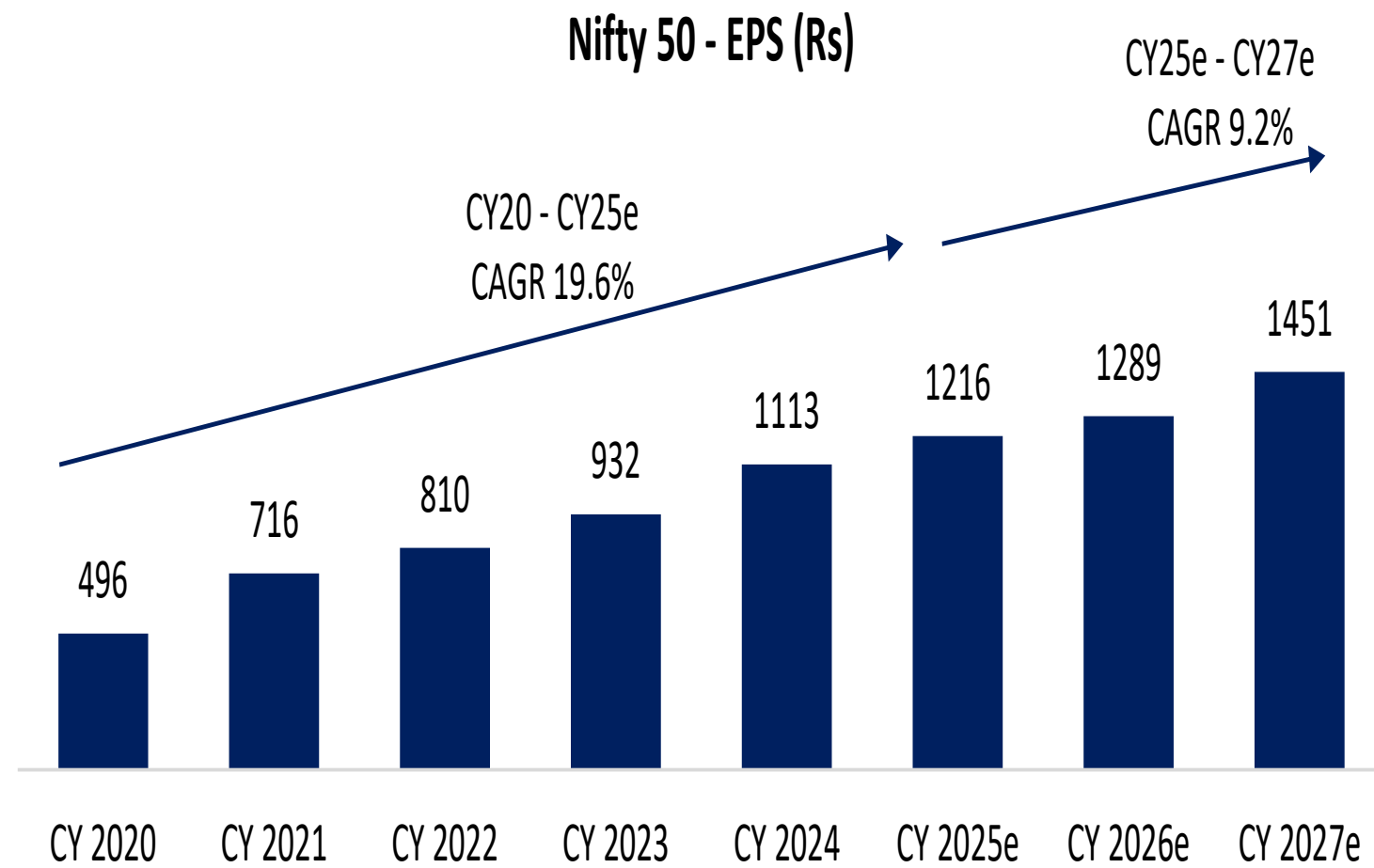
Source: Bloomberg, Past performance may or may not be sustained in future.
The Above-mentioned returns should not be construed as any indication of future returns.
P/E = Price to earnings ratio

Valuation adjusted for earnings growth (PEG)

Price/Earnings to Growth (PEG) ratio is calculated as PE over EPS CAGR

	P/E (x) - CY26e	EPS Growth (%) CAGR CY25e - CY27e	PEG (x)	ROE - CY27e (%)
Nifty 50	20.1	9%	2.18	15.1
Nifty SmallCap 250	25.6	16%	1.59	14.4
Nifty Mid Cap 150	29.5	17%	1.70	14.5

Earnings Growth Momentum

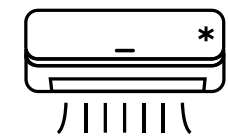


Data as of 9th Feb 2026

07 | Small Cap Presentation

Source: Bloomberg, Past performance may or may not be sustained in future.
 The Above-mentioned returns should not be construed as any indication of future returns.
 CY= Calendar Year, E= Estimate, EPS = Earnings Per Share, CAGR = Compound Annual Growth Rate.

Myth: Small Cap means only Low-Quality Businesses?



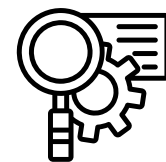
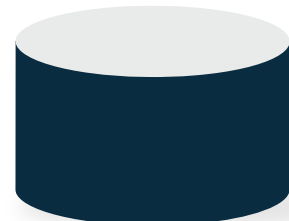
Largest AC component player



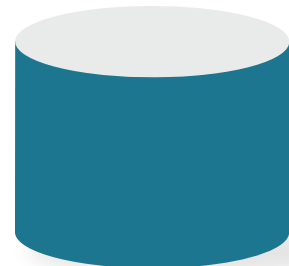
Largest RTA Player



Largest depository in terms of demat accounts



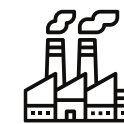
Largest pan India diagnostics Chain



Largest railway wagons, coaches and wheels manufacturer



Leading mutual fund distributor



Leading automotive and industrial bearings manufacturer

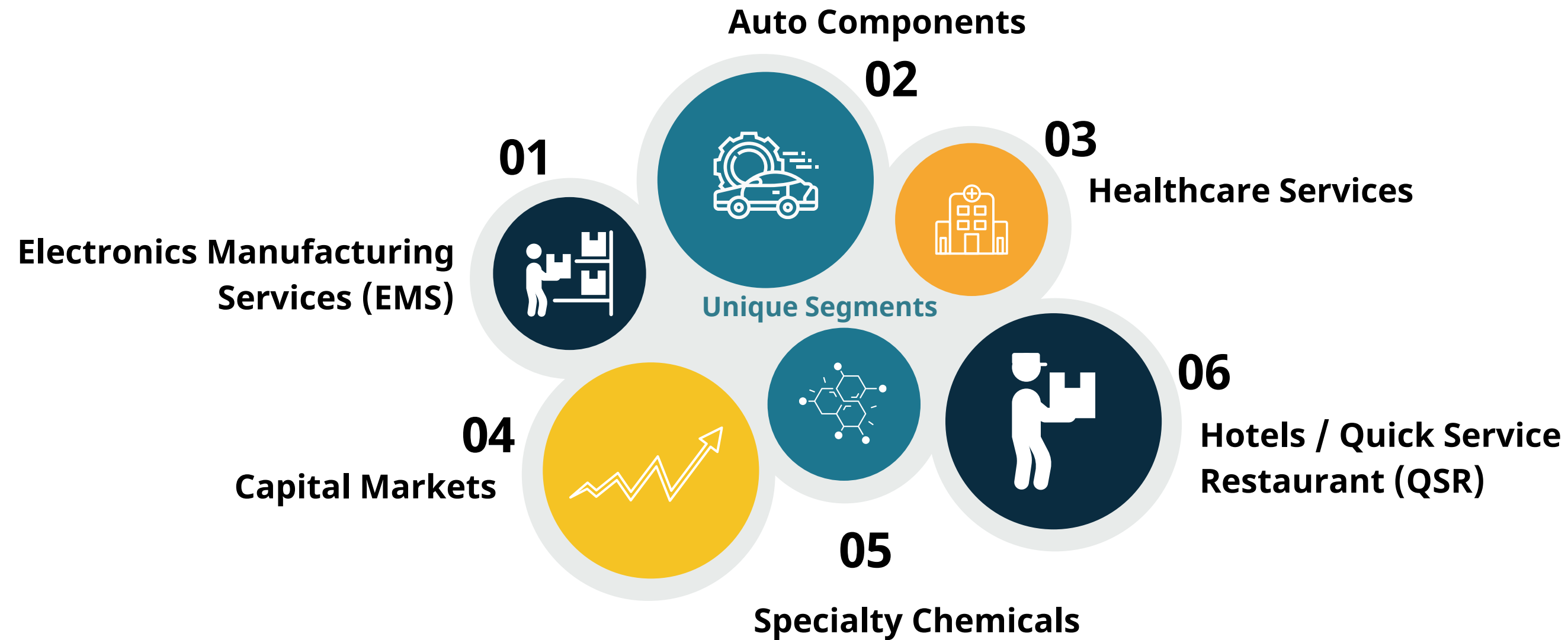


Largest children's hospital chain



Unique themes

Small and Mid Caps provides opportunity to invest in emerging/sun rise sectors, most of which are not available in Large cap space



What to do with Small Caps?



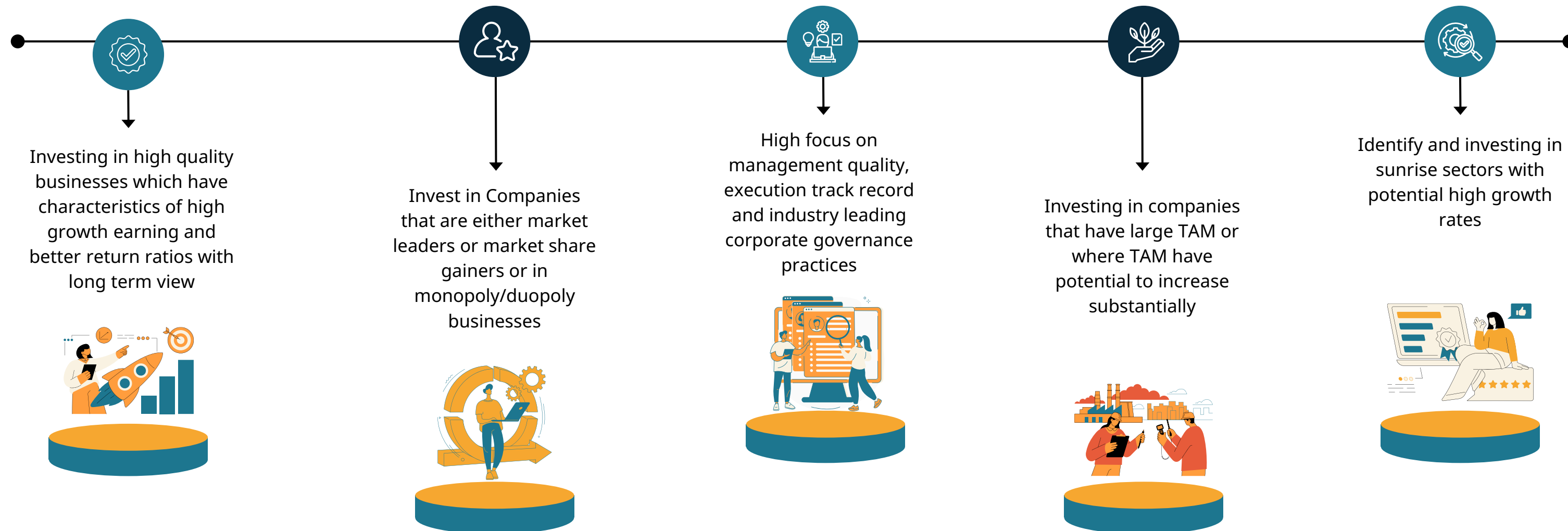
- *Embrace volatility rather than fearing it*
- *Have reasonable return expectations and long-term investment horizon*
- *Continue SIPs in small cap funds*
- *Lumpsum investing only suggested if one has at least 3-5 years investment horizon*
- *Focus on your strategic asset allocation while investing*

UNION SMALL CAP FUND

(Small Cap Fund - An Open-Ended Equity Scheme predominantly investing in Small Cap stocks)

Philosophy

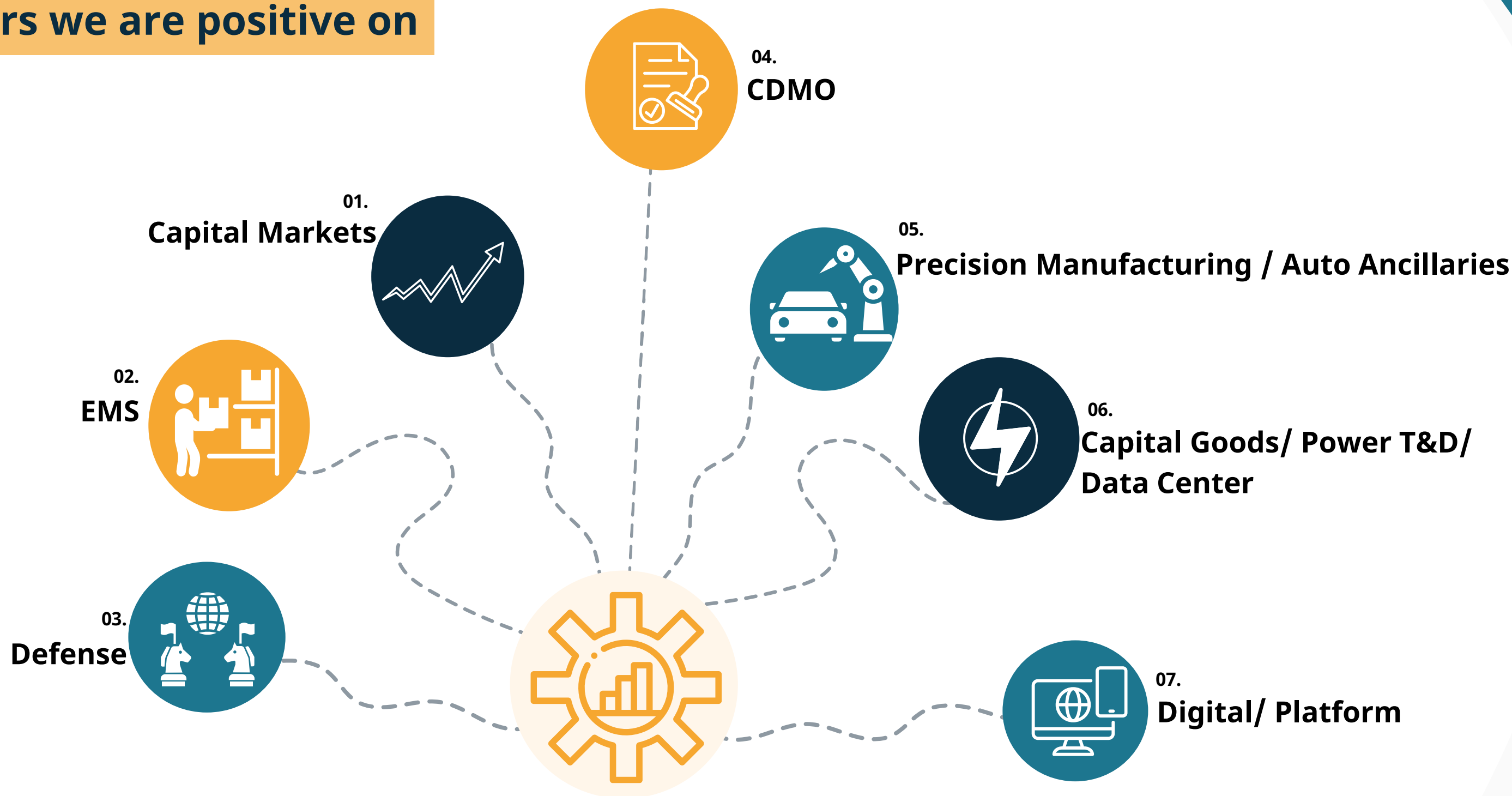
Philosophy at Union AMC for managing small cap funds
(Going down the market cap curve but not quality curve)



Key Characteristics of Union Small Cap Fund

- *Long Term Focus – {won't get perturbed by short term stock volatility}*
- *Buy & Hold Approach*
- *Quality & Conviction based portfolio*
- *Growth focused portfolio*
- *High Active share*
- *High Focus on Corporate Governance*

Themes/Sectors we are positive on

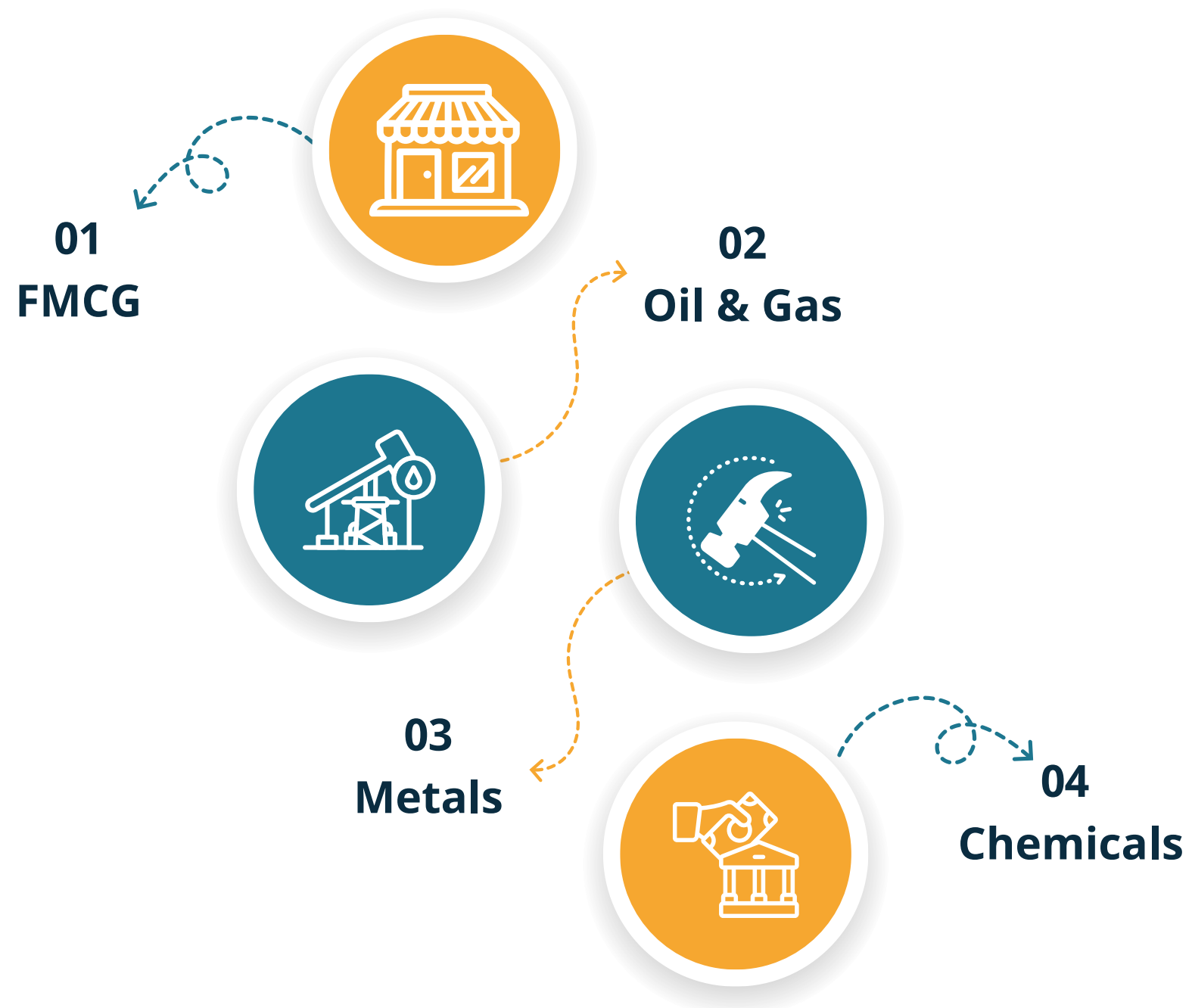


14 | Small Cap Presentation

EMS = Electronic Manufacturing Services, CDMO = Contract Development and Manufacturing Organization

This is the current investment strategy of the Scheme and same will be reviewed from time to time and might change depending on the fund manager's view and on the prevailing market conditions considering the best interest of the unitholders. However, the investment strategy shall be in line with the strategy stated in the SID of the Scheme. Please refer to the SID for more details on the investment strategy. The sectors mentioned herein do not constitute any recommendation and Union Mutual Fund may or may not have any future position in these sectors.

Sectors we are negative on



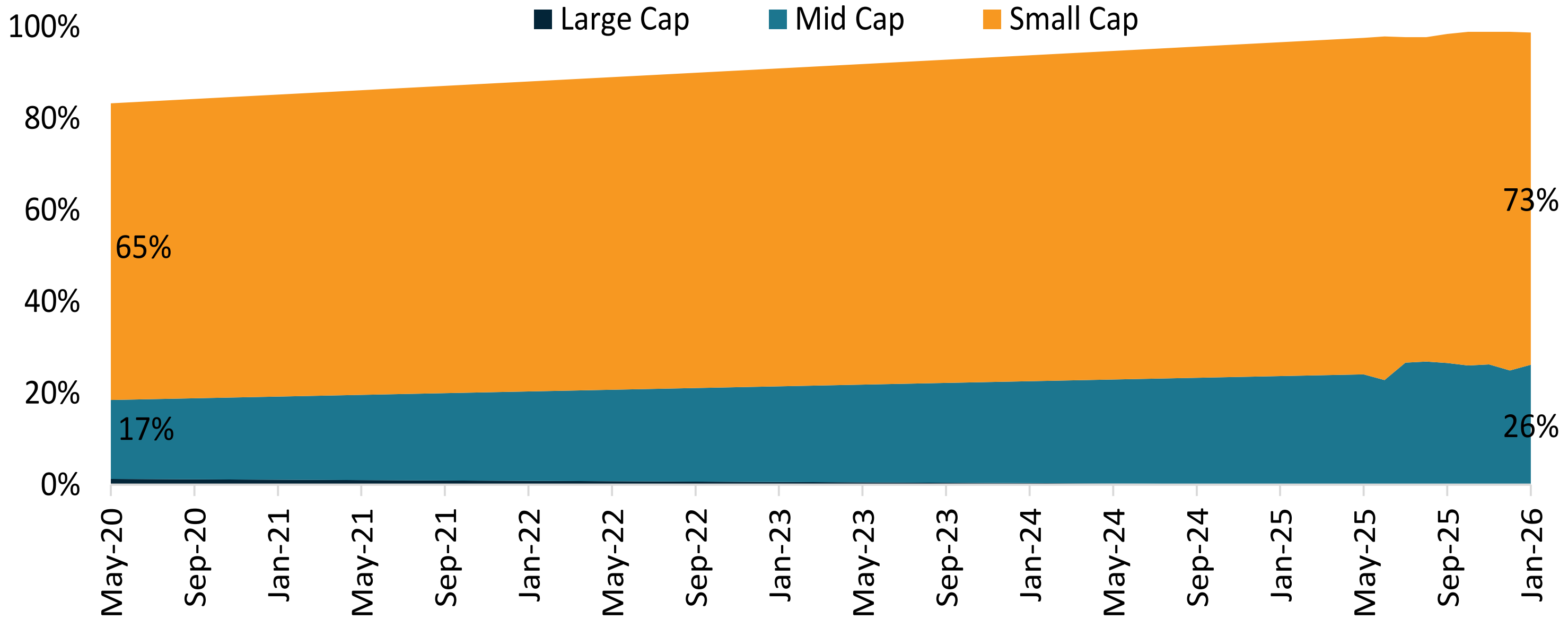
15 | Small Cap Presentation

FMCG = Fast Moving Consumer Goods

The is the current investment strategy of the Scheme and same will be reviewed from time to time and might change depending on the fund manager's view and on the prevailing market conditions considering the best interest of the unitholders . However, the investment strategy shall be in line with the strategy stated in the SID of the Scheme. Please refer to the SID for more details on the investment strategy. The sectors mentioned herein do not constitute any recommendation and Union Mutual Fund may or may not have any future position in these sectors.

True to Label

Market Capitalisation Movement



Data as of 30th Jan 2026

Portfolio Snapshot - Union Small Cap Fund

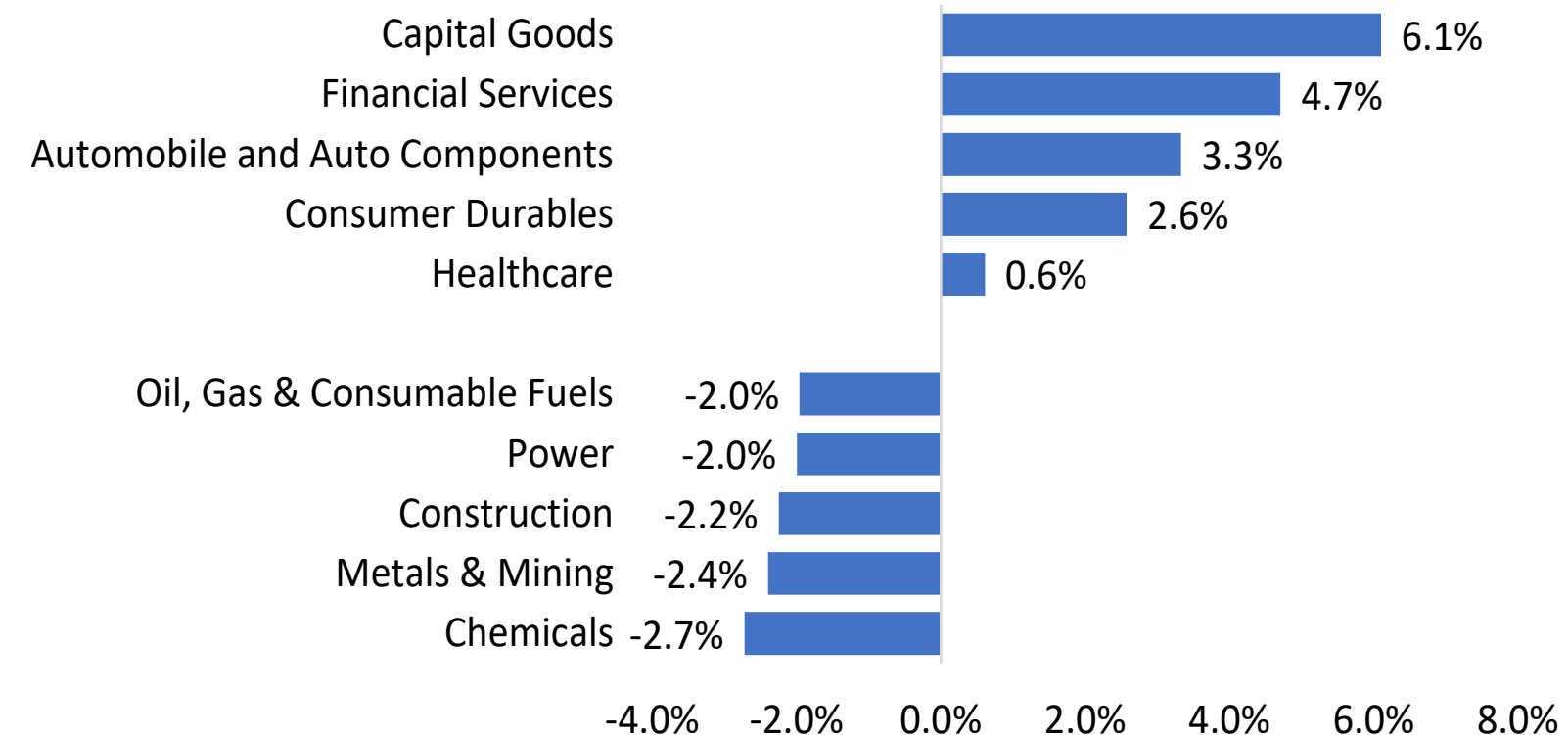
Portfolio Details	
No of Stocks in the Portfolio	66
Top 5 Stocks	18.6%
Top 10 Stocks	32.5%
Active Share	80.9%

M-cap break-up	% of AUM
Large Cap	0.0%
Mid Cap	26.2%
Small Cap	72.6%

Top 10 Active Share ^	Active Share (%)
Karur Vysya Bank Ltd.	4.4%
Acutaas Chemicals Ltd.	4.1%
GE Vernova T&D India Ltd.	3.4%
Multi Commodity Exchange Of India Ltd.	3.4%
Gabriel India Ltd.	3.1%
SJS Enterprises Ltd.	3.1%
Eureka Forbes Ltd.	2.8%
Ujjivan Small Finance Bank Ltd.	2.7%
KEI Industries Ltd.	2.5%
360 One Wam Ltd.	2.0%

Top 10 Holdings	%
Karur Vysya Bank Ltd.	4.4%
Acutaas Chemicals Ltd.	4.1%
Gabriel India Ltd.	3.4%
GE Vernova T&D India Ltd.	3.4%
Multi Commodity Exchange Of India Ltd.	3.4%
SJS Enterprises Ltd.	3.1%
Eureka Forbes Ltd.	2.8%
Navin Fluorine International Ltd.	2.8%
Ujjivan Small Finance Bank Ltd.	2.7%
eClerx Services Ltd.	2.5%

Sectoral - Overweight / Underweight Vs Benchmark*



^Active share is a metric that quantifies how much a fund's holdings differ from its benchmark index

Data as of 30th Jan 2026

Portfolio Characteristics - Union Small Cap Fund

Active Share
81%

Number of Stocks in the Benchmark
(BSE 250 Smallcap Index -TRI)

250

Number of Stocks in the Portfolio

66

Number of off Benchmark stocks
in the Portfolio

34

Weights in Portfolio
50%

Data as of 30th Jan 2026

Fund Facts

Scheme Name

Union Small Cap Fund

Type of Scheme

Small Cap Fund - An Open Ended Equity Scheme predominantly investing in Small Cap stocks

Investment Objective

To achieve long term capital appreciation by investing in a portfolio consisting of equity and equity related securities, predominantly of small cap companies. However, there is no assurance that the Investment Objective of the scheme will be achieved.

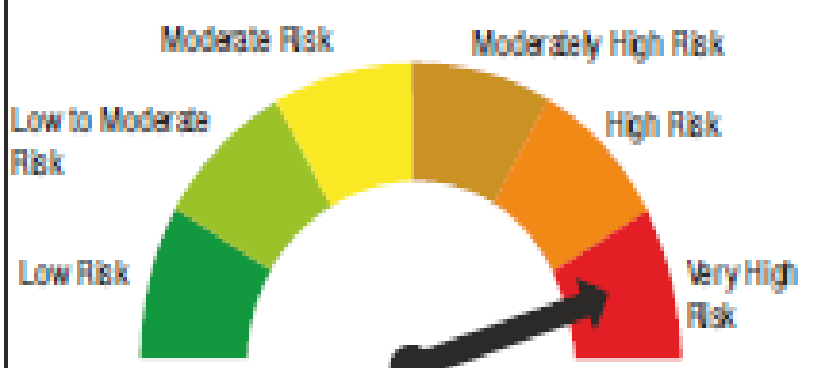
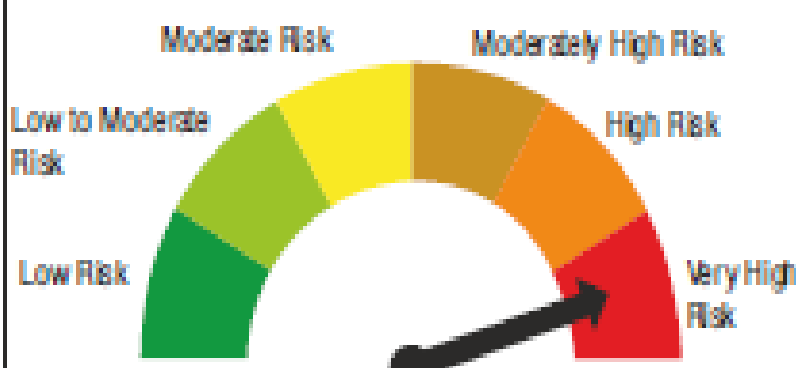
Application Amount

Minimum Application Amount: ₹ 1,000 and in multiples of ₹ 1 thereafter
Minimum Additional Investment: ₹ 1,000 and in multiples of ₹ 1 thereafter
Minimum Redemption Amount: ₹ 1,000 and in multiples of ₹ 1 thereafter

Load Structure

Entry Load: Not Applicable
Exit Load: 1% if units are redeemed or switched out on or before completion of 15 days from the date of allotment. Nil thereafter.

Scheme Product Label & Benchmark Riskometer

This product is suitable for investors who are seeking*:	Riskometer	Benchmark Riskometer
<ul style="list-style-type: none"> • Long Term Capital Appreciation • Investment predominantly in Equity and Equity related portfolio of small cap companies 	 <p style="text-align: center;">RISKOMETER</p> <p>The risk of the scheme is very high risk</p>	 <p style="text-align: center;">RISKOMETER</p> <p>The risk of the BSE 250 SmallCap Index (TRI) (Benchmark) is very high risk</p>

*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.

Note: The Scheme and Benchmark Riskometers are evaluated on monthly basis and the current Riskometers are based on the evaluation of portfolios as on January 30, 2026.

Disclaimer

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Please refer the Scheme Information Document for complete details about the scheme. Copy of all Scheme related documents along with the application form can be obtained from any of our AMC offices / Customer Service Centres/ distributors as well as from our website www.unionmf.com.

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**THANK
YOU**

