



Service

Discipline

Prudence

Fair play

Honesty

# Sundaram Global Brand Fund

March 2024



Integrity

Humility

Openness

Relationships

# AN OPPORTUNITY FOR INVESTORS TO OWN A HIGH QUALITY PORTFOLIO OF INTERNATIONAL EQUITIES

# Sundaram Global Brand Fund – Highlights

Morningstar Direct Rating



Morningstar ESG Sustainability Rating



## Unique portfolio investing in listed equities of 30 leading global brands



- Global household names
- Leaders in their sphere of business
- Business spanning the globe and categories
- Ability to sustain pricing power across economic cycles
- Generate durable cash flows
- Beneficiary of the global aspiration to buy more branded goods as disposable income rises



## Fund portfolio available at reasonable valuations

- 2025 weighted estimated PER of 19.1x
- 14.8% average annual earnings growth over 2024 and 2025
- 27.9% 2025 estimated average RoE
- 1.8% 2025 estimated dividend yield



## Strong performance

- The fund has generated an annualized return of 9.8% in USD terms since inception\*

\*Fund inception date: July 01, 2015. Performance details provided are net of fees for the Cornerstone unit class and include dividends paid out. Performance greater than one year on a compounded annualized basis. Past performance may or may not be sustained in the future.  
Performance as of February 29, 2024.

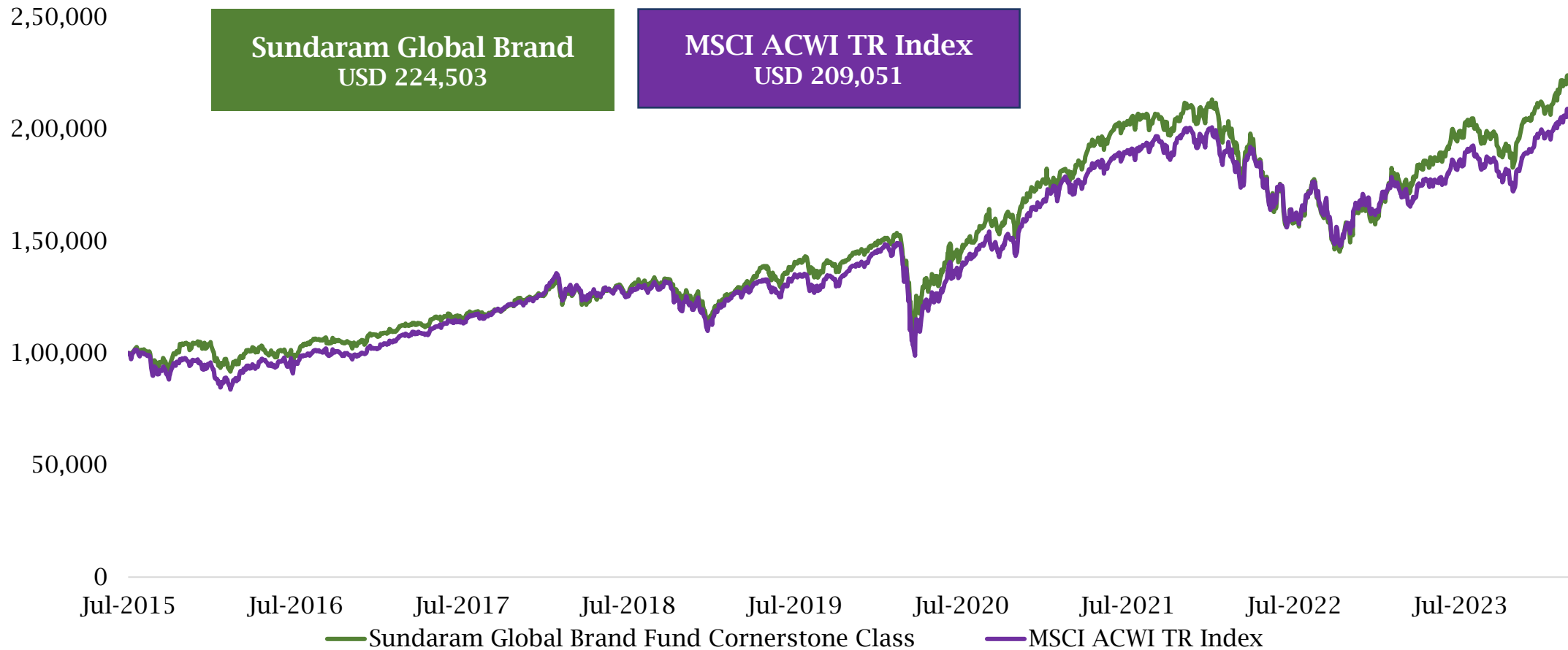
# Sundaram Global Brand Fund- Peer Comparison

	YTD	1 year	3 years	5 years
Sundaram Global Brand Fund	6.0%	28.8%	7.4%	10.9%
Morning Star category average	4.0%	18.9%	4.5%	8.2%
<b>Outperformance</b>	<b>+2.0%</b>	<b>+9.8%</b>	<b>+2.9%</b>	<b>+2.7%</b>
Number of Funds in MS Category	6608	5899	4522	3384
<b>Peer Group Percentile</b>	<b>17</b>	<b>5</b>	<b>27</b>	<b>24</b>

Source: Morning Star Direct. Returns in USD & includes dividends paid out \* YTD as of end February 2024

Morningstar Direct Rating: ★ ★ ★ ★

# Sundaram Global Brand Fund – Value of US\$100,000 invested at launch



Data is as of the Cornerstone Class and includes dividends paid out. Past performance may or may not be sustained in future.

**Inception Date:** July 01, 2015; **Source:** Bloomberg. Analysis: In-house & as of February 29, 2024

## Dividend History of Sundaram Global Brand Fund

Year	Distribution
2024	USD 4.5 cents per unit
2023	USD 5.3 cents per unit
2022	USD 3 cents per unit
2021	USD 15 cents per unit
2020	USD 6 cents per unit
2019	USD 20 cents per unit
2018	USD 17 cents per unit
2017	USD 6 cents per unit
2016	USD 3 cents per unit

# Portfolio construction overview



Extensive back testing of data from **2002** has led to the development of a **proprietary portfolio allocation and re-balancing methodology**



A list of **50 leading brands** will be created using publicly available annual rankings of leading brand rating agencies such as **Interbrand, BrandZ, Forbes**

## Methodologies Adopted

Agencies	Financial Analysis	Brand Strength Analysis	Brand Loyalty Analysis
Interbrand	✓	✓	✓
BrandZ	✓	✓	✓
Forbes	✓	At industry level	✗

# Brand rating process



## Financial analysis

- Measure economic profits
- Forecast future values over 5 years and arrive at terminal value
- Capital charge – Reference to Industry weighted average cost of capital

## Demand analysis

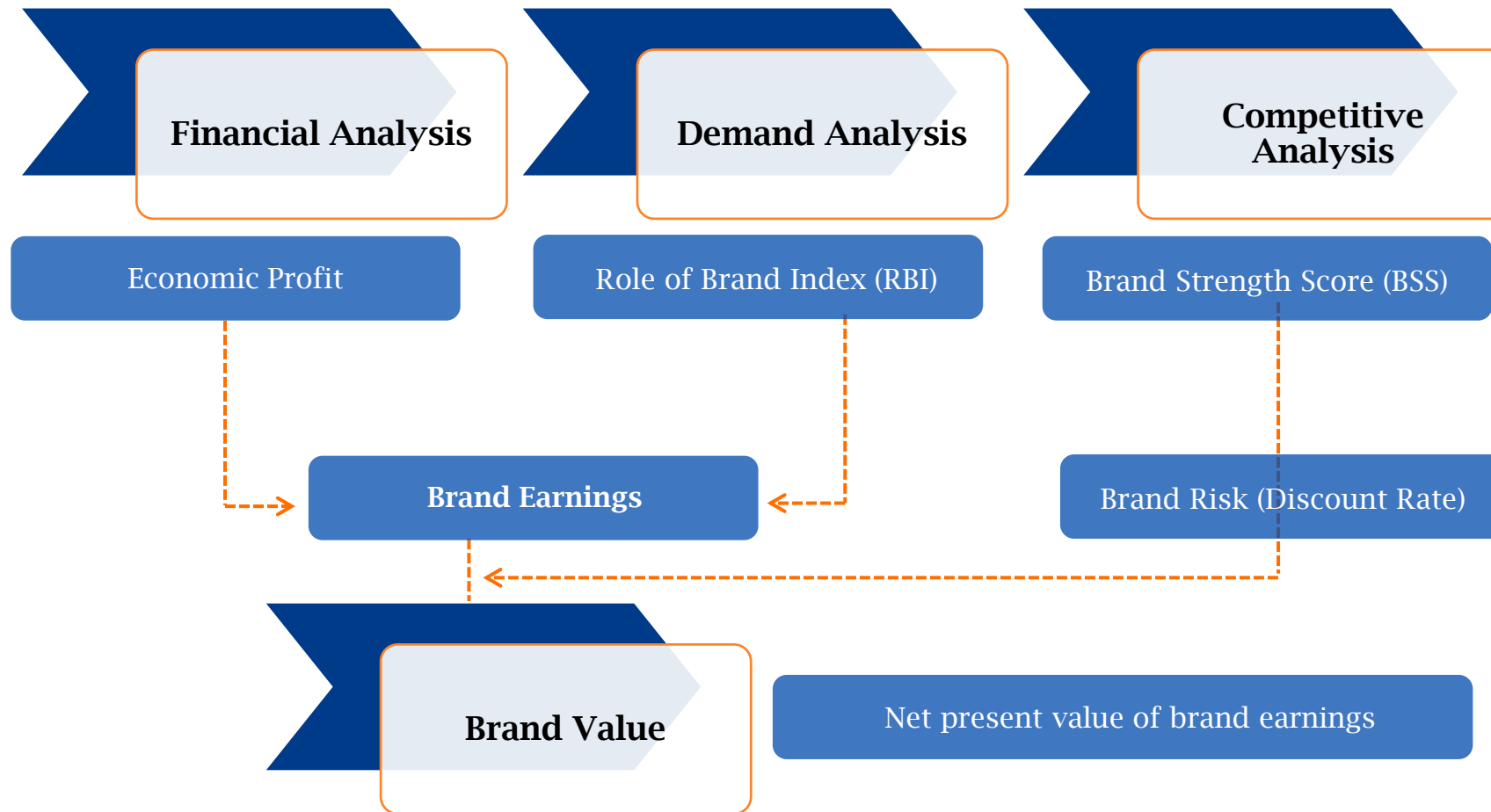
- Role of Brand Index (RBI)
- Determined by:
  - Primary research
  - Review of historical roles of brand for companies in that industry
  - Expert panel assessment

## Competitive analysis

- Brand strength Score (measures the ability of the brand to create loyalty )
- Score from 1-100
- Evaluation across 10 key factors
- Performance on these factors is judged relative to other brands in the industry
- Proprietary formula used to connect the Brand Strength Score to a brand-specific discount rate
- Rate is used to discount brand earnings back to a present value



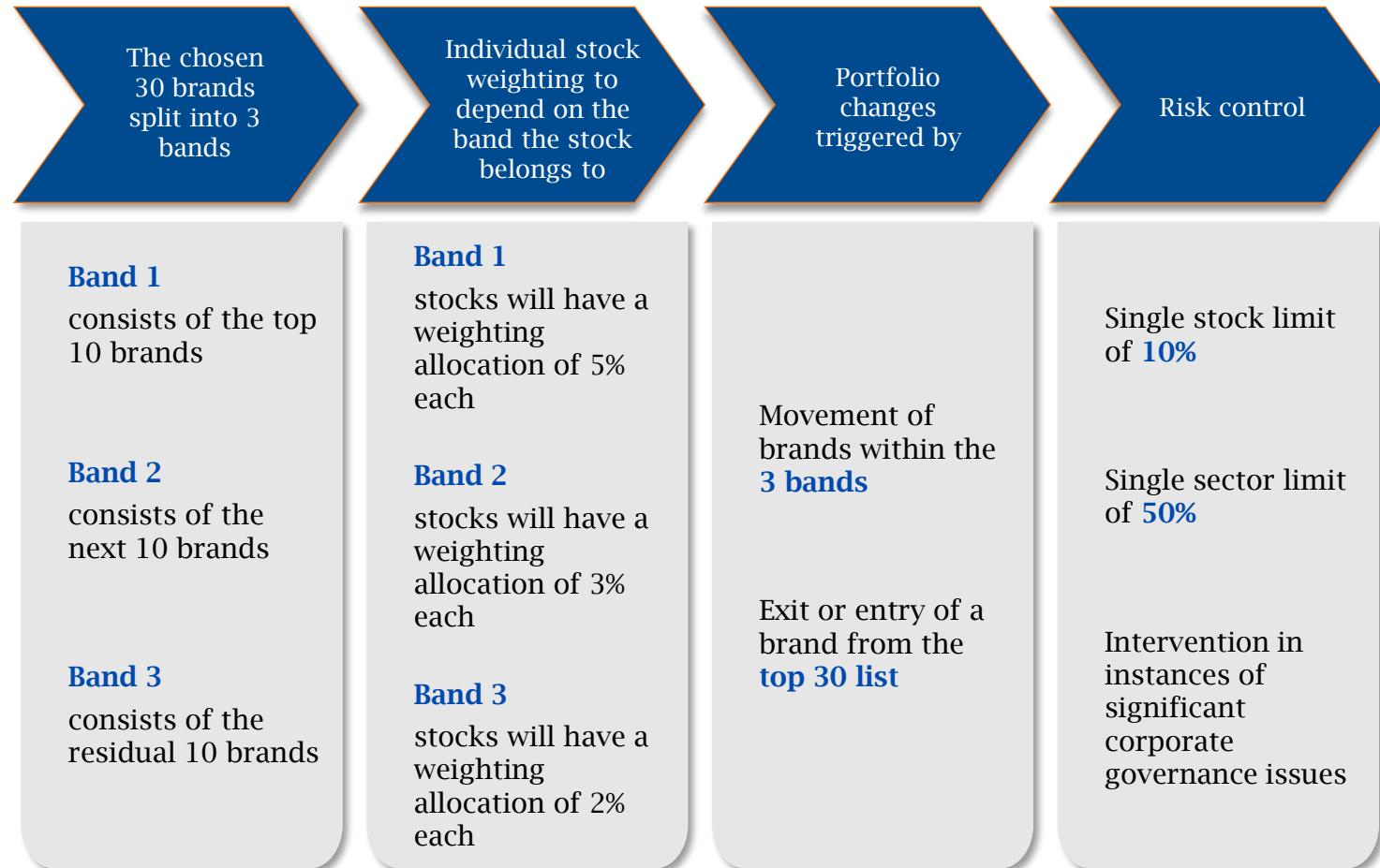
# An example of brand valuation methodology



# Investment process

Portfolio will consist of listed equities of **30 leading global brands**

Preference for brands with geographically diversified revenues to reduce portfolio risk



# Why are brands important?

Great brands develop a competitive moat through brand loyalty which enable them to:

Span categories

Span borders

Sustain pricing power across  
economic cycles

Result in durable cash flows and  
strong balance sheet

# Long queues at Apple's stores during new product launch



# Why are brands important from an investment standpoint?



Strong  
brand

Competitive  
advantage

Superior  
earnings

Premium  
sustainable  
valuation



# Why are brands important?

Strong competitive positioning leads to exceptional returns for stakeholders

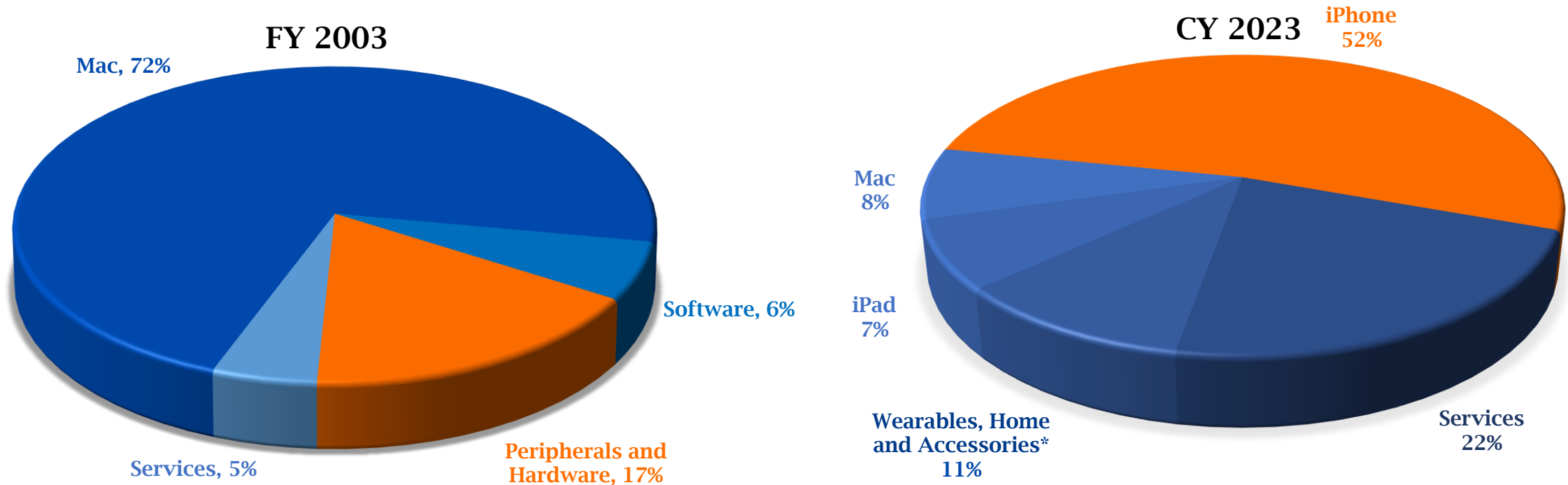
Name	Sales (USD Bn)		Growth	Net Income (USD Bn)		Growth	Market Cap (USD Bn)		Growth	RoE 2022
	2018	2023		2018	2023		Dec-18	Dec-23		
Apple Inc	265.6	383.3	44%	59.5	97.0	63%	1090.3	2676.7	146%	172.0
Alphabet Inc - Class A	136.8	307.4	125%	30.7	73.8	140%	834.7	1656.2	98%	27.4
Microsoft Corp	110.4	211.9	92%	16.6	72.4	337%	877.0	2345.9	167%	38.8
LVMH Moet Hennessy	55.3	93.2	68%	7.5	16.4	119%	178.7	380.5	113%	26.1
Hermes International	7.0	14.5	106%	1.7	4.7	181%	70.0	193.2	176%	31.2
MSCI All Country World Index									74%	

Sales and Net Income data as of CY 2018 and CY 2023

Market Cap data as of December 31, 2018 and December 31, 2023

Source: Bloomberg and in-house analysis

# Apple as an example



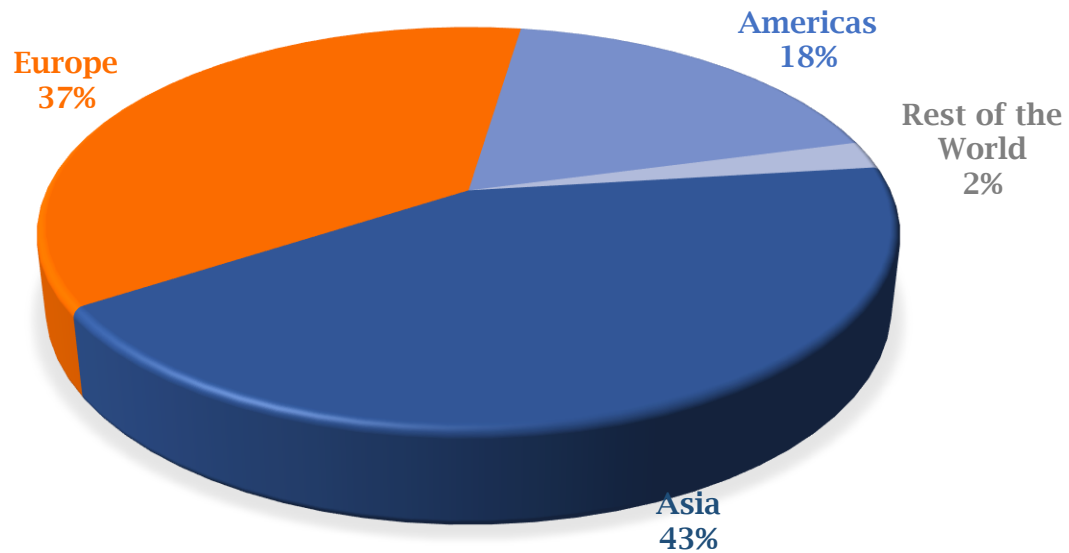
**Apple started with Mac and pivoted away over the years to durable product categories which benefitted from brand loyalty towards Mac**

\*includes sales of AirPods, Apple TV, Apple Watch, Beats products, HomePod, iPod touch and Apple-branded and third-party accessories

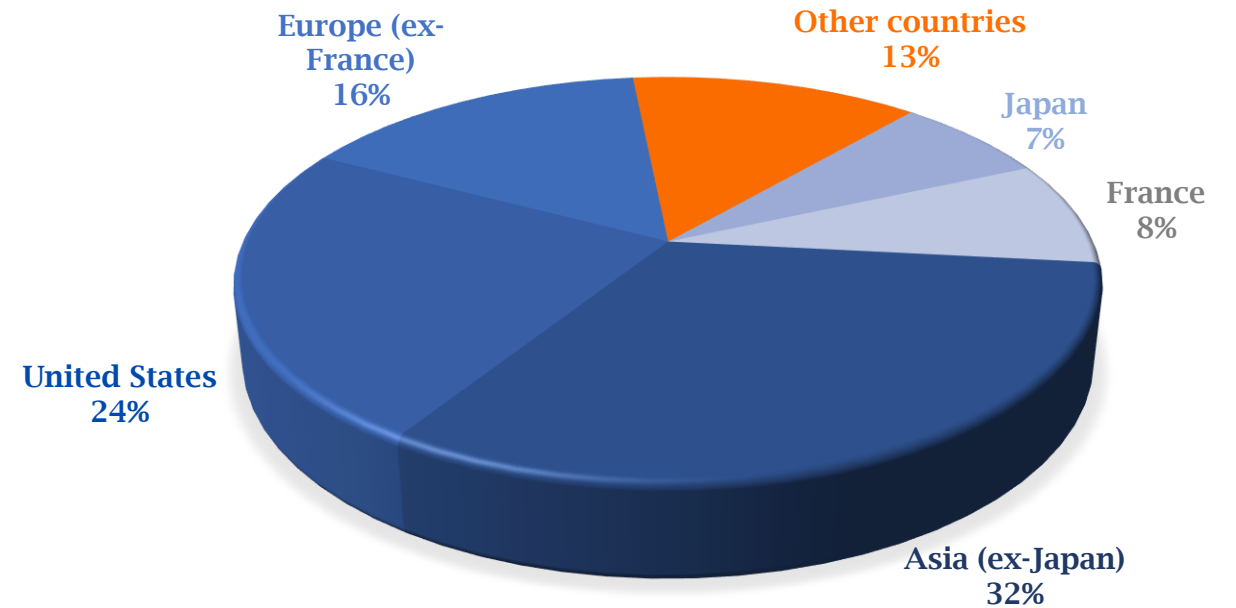
Source: Bloomberg and in-house analysis

# Well diversified spread of business across geographies

BMW Revenue (9M 2023)



LVMH Revenue (9M 2023)

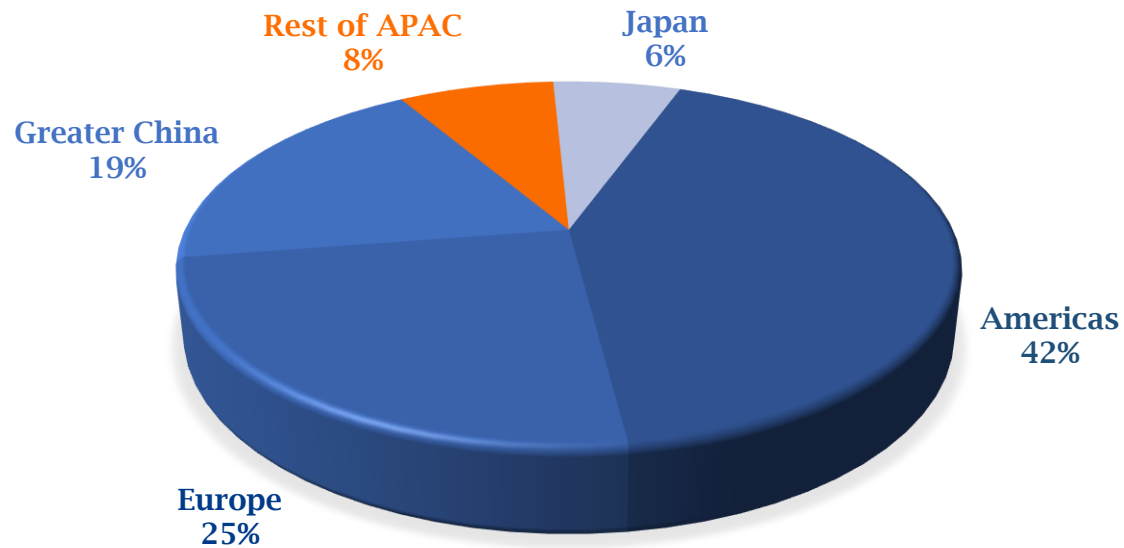


Source: Bloomberg and in-house analysis

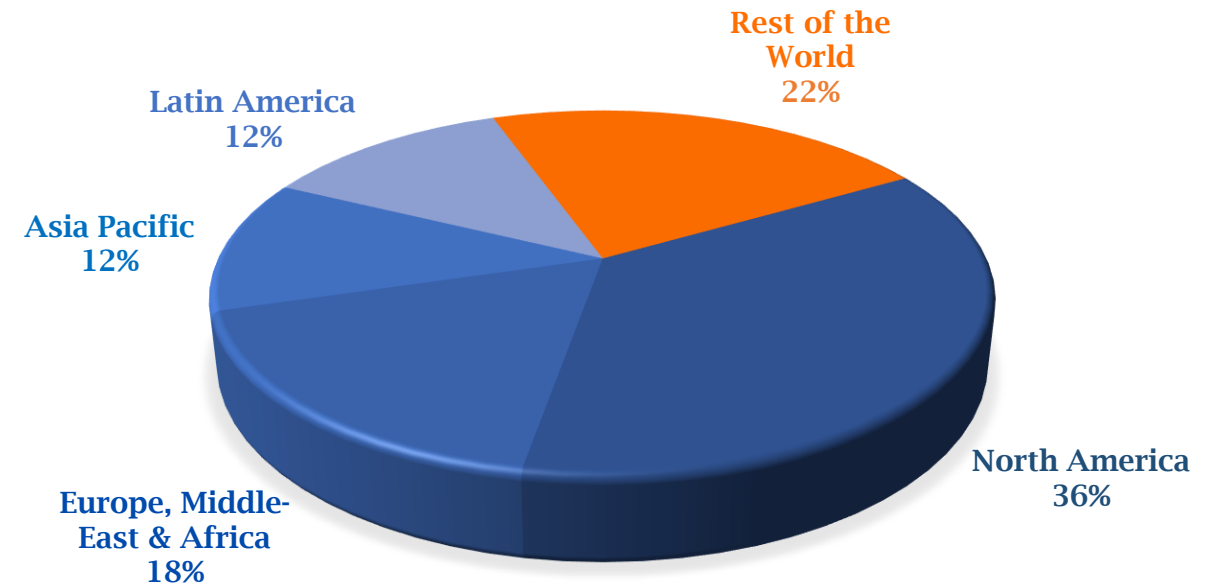


# Well diversified spread of business across geographies

Apple Revenue (CY 2023)



Coca-Cola Revenue (9M 2023)



Source: Bloomberg and in-house analysis

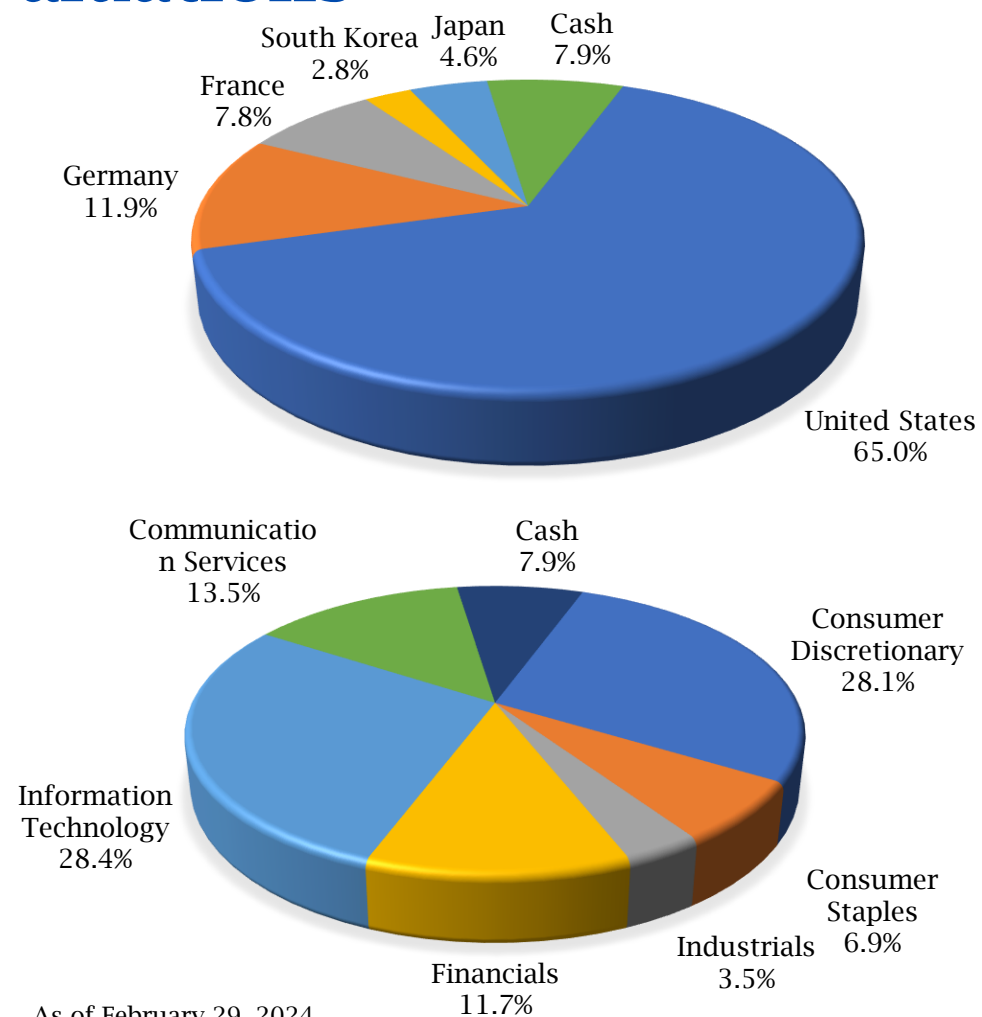
# Cash-rich companies form a good portion of the portfolio

Nearly **50%** of the portfolio companies are in net cash position

Top Holdings	Net Debt/Equity (x)	Net Cash available (USD Bn)
Microsoft Corp	(15.4)	31.8
Alphabet Inc	(95.0)	57.2
Apple Inc	(33.3)	88.9
Amazon.com Inc	(35.3)	34.2
JPMorgan Chase & Co	(12.3)	16.5
Coca-Cola Co	(32.7)	13.8
Meta Platforms Inc	(33.1)	17.3

Source: Bloomberg and in-house analysis, as of end June 2023

# Current portfolio – Well diversified & reasonable valuations



As of February 29, 2024.

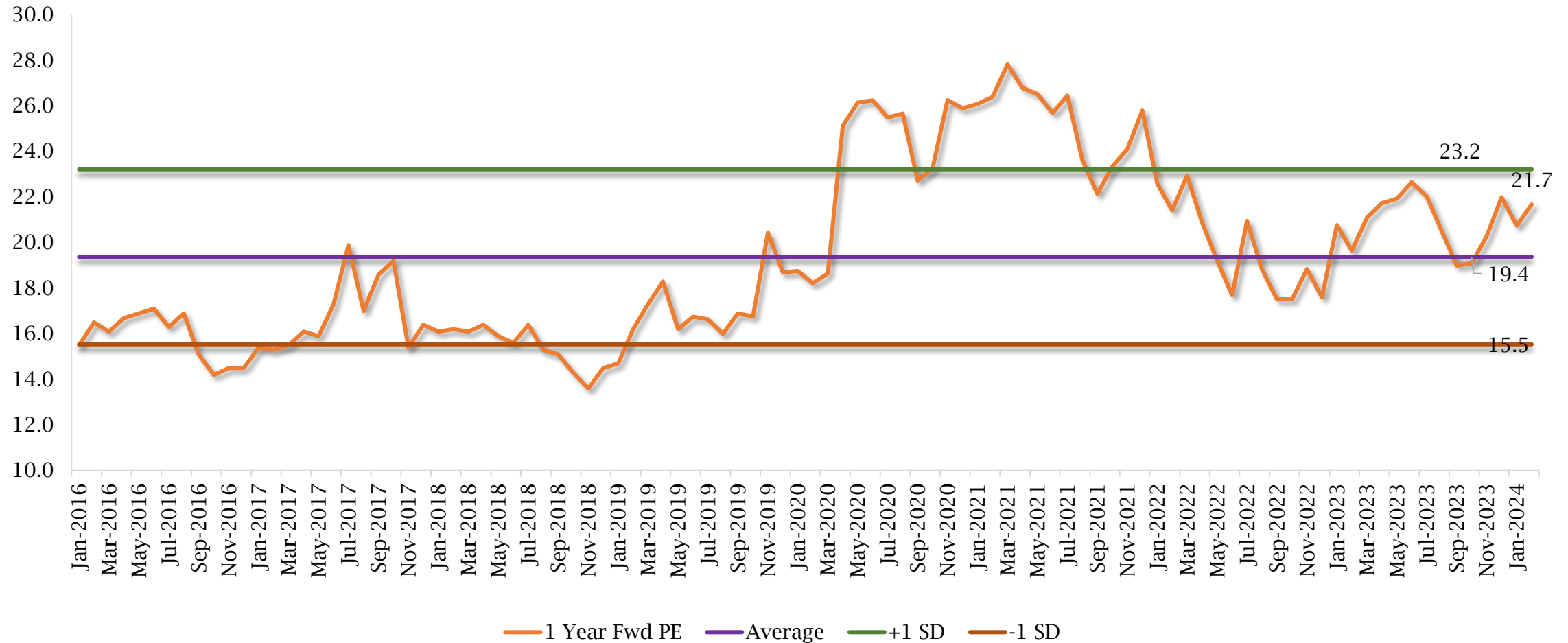
S.No	Name	Weight (%)
1	Microsoft Corp	6.7
2	Alphabet Inc	5.6
3	Amazon.com Inc	5.4
4	JPMorgan Chase & Co	4.9
5	Meta Platforms Inc	4.6
6	Apple Inc	4.5
7	Coca-Cola Co	4.1
8	LVMH Moet Hennessy Louis Vuitton	4.1
9	Toyota Motors Corp	3.5
10	Mercedes Benz Group AG	3.4
TOTAL		46.6

## Top 10 holdings – Valuation metrics

Top Holdings	P/E (x)		Earnings Growth (%)		ROE (%)		Dividend Yield (%)	
	FY 2024	FY 2025	FY 2024	FY 2025	FY 2024	FY 2025	FY 2024	FY 2025
Microsoft Corp	35.5	30.9	20.5	14.7	35.5	32.4	0.7	0.8
Alphabet Inc	20.4	17.7	17.1	15.5	26.7	26.6	NA	NA
Amazon.com Inc	42.4	33.0	47.4	28.3	18.0	18.7	0.0	0.1
JPMorgan Chase & Co	11.7	11.6	-5.4	1.4	14.7	13.7	2.3	2.5
Meta Platforms Inc.	24.6	21.2	34.1	15.8	31.1	29.3	0.2	0.3
Apple Inc.	27.3	25.1	7.8	8.9	146.0	135.3	0.5	0.6
Coca-Cola Co	21.4	20.0	4.5	6.8	45.2	46.0	3.2	3.4
LVMH Moët Hennessy Louis Vuitton	25.9	23.6	7.4	9.8	24.2	23.2	1.7	1.9
Toyota Motor Corp	10.7	10.7	88.1	0.3	15.8	14.0	2.3	2.5
Mercedes Benz Group AG	6.3	6.1	-13.3	3.3	12.0	11.7	6.7	6.8

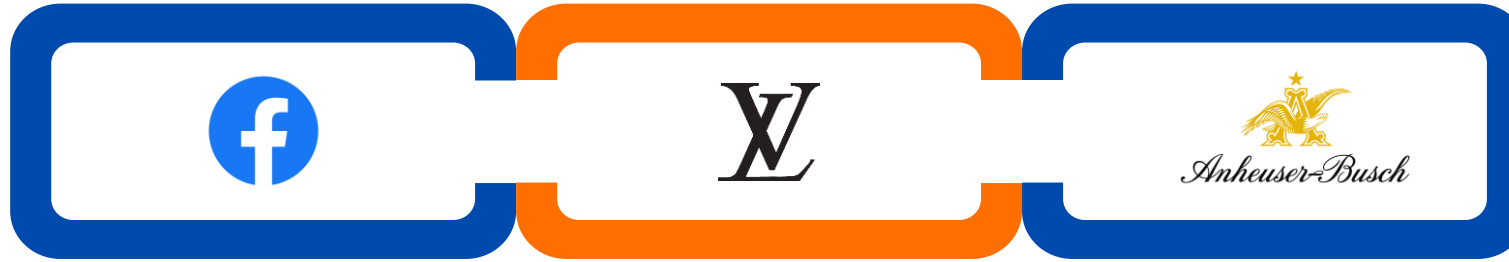
Source: Bloomberg and in-house analysis, as of February 29, 2024

# Sundaram Global Brand Fund – Historical 1-year forward valuation of the portfolio



Source: Bloomberg and in-house analysis

# Cash creates shareholder value – Strategic acquisitions



- Facebook has been on a spree of acquisitions in the last decade which includes three VR based studios - Camouflaj, Armature Studio, and Twisted Pixel Studios in 2022
- Kustomer - \$1 Bn in 2020
- WhatsApp - \$19 Bn in 2014
- Oculus VR - \$2 Bn in 2014
- Onavo - \$200 Mn in 2013
- Instagram - \$1 Bn in 2012
- Beluga - Undisclosed sum in 2011
- LVMH acquired Tiffany, the global luxury jeweler, in 2021 at \$15.8 Bn
- Mergers and acquisitions have been a part of Anheuser ever since its formation in 1987

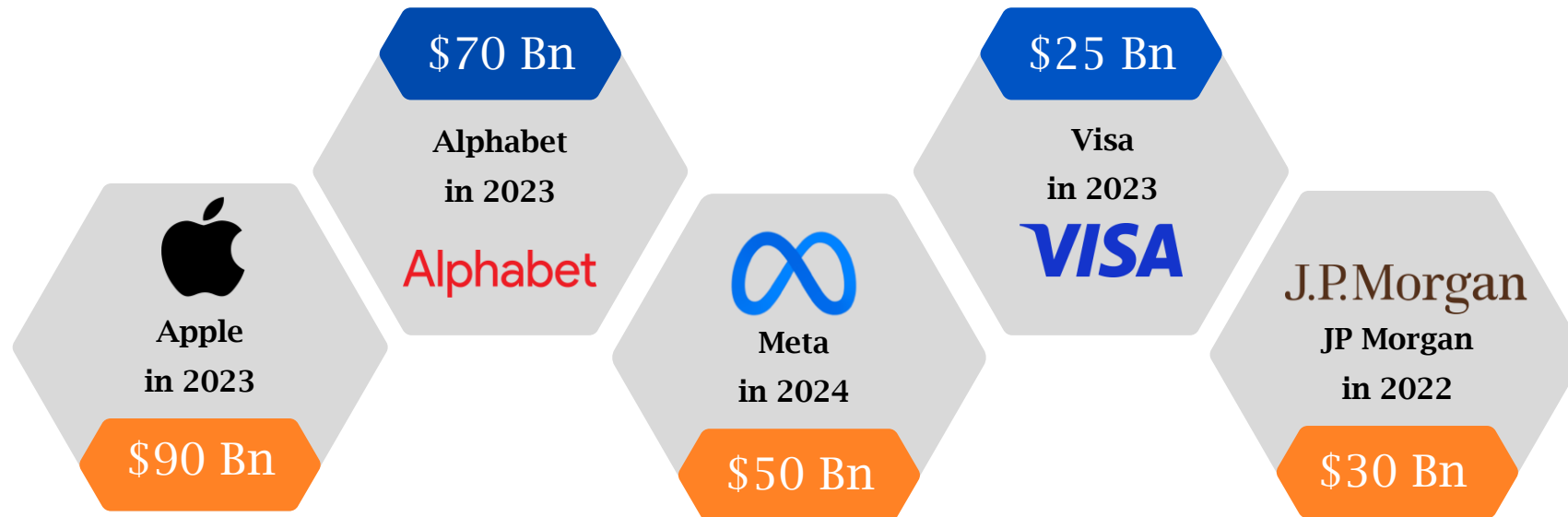
# Cash creates shareholder value – Strategic acquisitions



- Microsoft has completed its largest ever acquisition of Activision Blizzard in October 2023, worth USD 69bn. This will enable the giant to be one of the Top 3 Gaming Companies by Revenue.
- Kering has acquired a 30% stake in Valentino (an Italian luxury fashion label) for USD 1.9bn in July 2023, with an option to fully own the company by 2028.
- Similarly, it fully acquired UK-based Creed for USD 3.8bn to strategically expand into the high-end beauty product segment. This is in line with its ambition to have a separate beauty division.
- Cisco announced its biggest ever acquisition of Splunk, a cybersecurity and data analytics firm for USD 28bn in September 2023. This offers synergies for the company in cyber security and observability and delivering steady streams of annual recurring revenue.

# Cash creates shareholder value – Consistent share buybacks

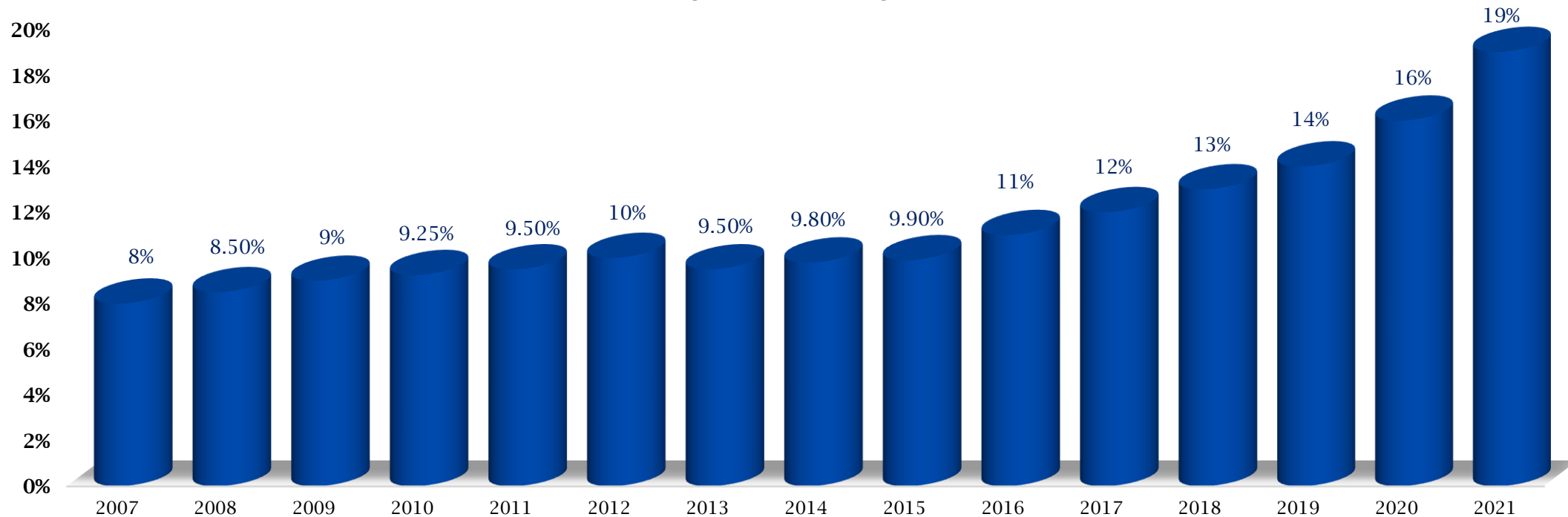
Share Buybacks in the recent past





# When the going gets tough, the tough get going

**LVMH's share of the personal luxury goods market**  
(excluding Selective Retailing Division)



Source: Bain & Company, Morgan Stanley Research

# Sundaram Global Brand Fund – Ratios and valuations

Parameter	Fund	Parameter	Fund	MSCI ACWI-TR	Parameter	Fund
Alpha	0.11	Standard Deviation	15.9	15.6	FY 24 P/E (x)	22.2
Correlation	0.96	Beta	1.0	-	FY 25 P/E(x)	19.1
Tracking Error	4.21	Sharpe Ratio	0.5	0.5	FY 24 EPS Growth (%)	16.3
Information Ratio	0.00	Sortino Ratio	0.7	0.7	FY 25 EPS Growth (%)	13.2
Turnover (%)	7.3				FY24 RoE (%)	27.9

Risk-Return Metrics are based on month end NAVs; since launch and have been annualized.  
 Turnover ratio is for the 6-month period ended December 31, 2022 and in %. All other data as of February 29, 2024.  
 Source: Bloomberg and In House Analysis.  
 Past performance may not be sustained in future.

# Climate Risk Metrics

## Carbon footprint

Financed emission for corporates					
<i>tons CO2e/\$M invested</i>	<i>Portfolio</i>	<i>Coverage</i>	<i>Reference benchmark</i>	<i>Coverage</i>	<i>Active</i>
Scope 1 and 2	7.9	100.0%	54.1	99.8%	-85.3%
Scope 3 total	285.6	100.0%	345.9	99.7%	-17.4%
<i>Data quality</i>					
Reported emissions	90.3%		88.3%		2.2%
Estimated emissions	9.7%		11.6%		-16.3%
Weighted average carbon intensity					
<i>Corporate constituents tons CO2e/\$M revenue</i>	<i>Portfolio</i>	<i>Coverage</i>	<i>Reference Benchmark</i>	<i>Coverage</i>	<i>Active</i>
Scope 1 and 2	20.0	100.0%	128.8	99.9%	-84.5%
Scope 3 total	612.6	100.0%	731.9	99.6%	-16.3%
<i>Sovereign constituents tons CO2e/\$M GDP nominal</i>					
GHG intensity	n/a	0.0%	n/a	0.0%	n/a

Allocation base - EVIC

## Climate scenario analysis

Selected scenario: 1.5° C AIM CGE, Aggressive physical risk			
<i>MSCI climate Value at Risk</i>	<i>Portfolio</i>	<i>Reference Benchmark</i>	<i>Active</i>
Aggregate climate value at risk (VaR)	-3.4%	-17.1%	13.6%
Policy climate VaR	-7.0%	-13.2%	6.2%
Technology Opportunities climate VaR	9.8%	5.5%	4.3%
Physical risk climate VaR	-6.2%	-9.3%	3.1%
Climate scenario coverage	100.0%	99.7%	0.3%
MSCI implied temperature rise	2.0°	2.4°	-0.4°
ITR coverage	100.0%	99.6%	0.4%

Reference benchmark: MSCI ACWI TRI

Source: MSCI

Data as of December 29, 2023

The MSCI information is provided on an "as is" basis and the user of this information assumes the entire risk of any use made of this information. MSCI, each of its affiliates and each other person involved in or related to compiling, computing or creating any MSCI information (collectively, the "MSCI Parties") expressly disclaims all warranties (including, without limitation, any warranties of originality, accuracy, completeness, timeliness, noninfringement, merchantability and fitness for a particular purpose) with respect to this information. Without limiting any of the foregoing, in no event shall any MSCI Party have any liability for any direct, indirect, special, incidental, punitive, consequential (including, without limitation, lost profits) or any other damages. (www.msci.com)

# Appendix

# Sundaram Asset Management

## Key milestones of Sundaram Asset Management

1996	Sundaram Asset Management sponsored by Sundaram Finance and Newton Group
2002	Sundaram buys out Newton's stake on account of Mellon's acquisition of Newton
2006	Joint venture with BNP Paribas Asset Management (SF: 50.1%, BNPP: 49.9% stake)
2010	Sundaram Finance buys out BNP's stake on account of latter's Fortis acquisition
2012	SAM's Singapore subsidiary was granted fund management license by MAS

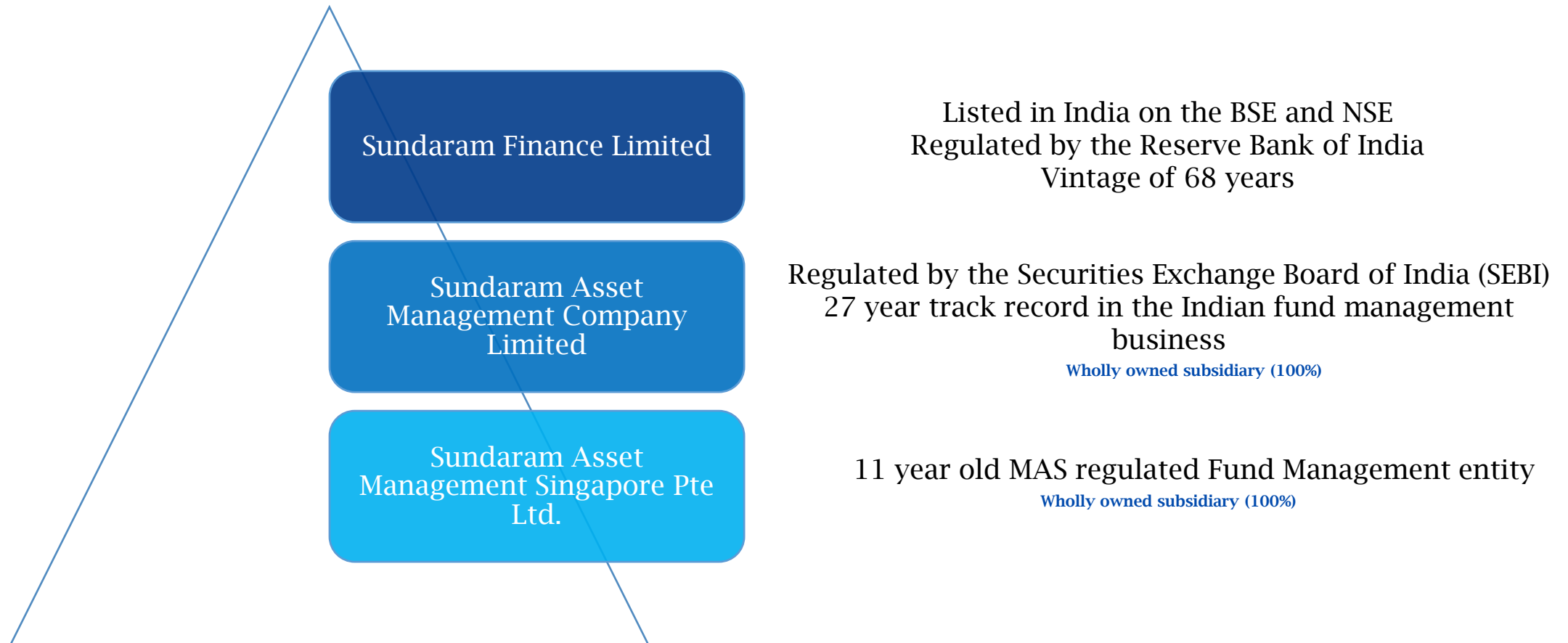


Retail Investor Base: *Over 1.9 million folios*

Manages offshore investments through its Singapore subsidiary, which has set up a unit trust investment platform in Singapore

- Headquartered in **Chennai** (India) with offices across India and in **Singapore** and **Dubai**
- **Wholly owned** by the well renowned Sundaram Finance Limited.
- **27 years of experience** in fund management and is among the pioneers in the Indian Fund Management industry with **Assets Under Management of USD 8.8 billion as of February 29, 2024.**
- Expertise in **equities, fixed income and alternatives** in India with flagship funds ranked in top quartile.
- In-depth proprietary research comprising of an **experienced team of 25 investment professionals** spread over Chennai, Mumbai and Singapore.

# Sundaram Asset Management – Group structure









# Sundaram Finance Limited – Parent

- 01 Sundaram Finance Limited, incorporated in 1954, has grown today into one of the most trusted financial services groups in India.
- 02 Evolved from the legendary TVS group (Established in 1911), a diversified conglomerate and one of the largest manufacturer and distributor of auto components
- 03 Sundaram Finance, the flagship company of the Sundaram group is driving the financial services business of the group

## Sundaram Finance Subsidiaries








## Key highlights:

-  **Pioneer** in the Leasing and Hire Purchase Business
-  **First NBFC** to be Listed - in 1972
-  Legacy of deep customer connect and loyalty with **80% renewal rate**
-  **Rated AAA** (for Deposits) by CRISIL and ICRA
-  Market Cap ~ **USD 5.6 billion** as on February 29, 2024.
-  Market cap has grown at CAGR of **~23% (USD)** since listing

**Built significant reputation & goodwill over the decades**

# Sundaram Finance Group

	AUM (USD Billion)	Branches	Employees*	Customers
 <b>SUNDARAM FINANCE®</b> Enduring values. New age thinking.	5.1	704	7,677	569,957
 <b>SUNDARAM MUTUAL</b> UNEARTHING OPPORTUNITIES	8.1	85	551	1,292,511
 <b>SUNDARAM HOME</b>	1.6	138	1,461	60,014
 <b>Royal Sundaram</b> General Insurance	1.0	161	2,804	3,120,574
 <b>SUNDARAM FINANCE GROUP®</b> Enduring values. New age thinking.	15.8	1,088	12,493	5,043,056

\*Includes off-roll employees;  
Data as of December 31, 2023



# Sundaram AMC – Investment manager



## Track record and capabilities

- One of the earliest entrants in the Industry with **27 years** of track history.
- **First in the industry** to launch a fund in the midcap space.
- Flagship Fund - Sundaram Midcap Fund had been a consistent outperformer with a **CAGR of 21.3%** in USD terms, since its inception **20+ years ago**
- **Strong** in-house Research Team.
- Investment Philosophy - **Bottom up, research driven stock selection with a focus on long term growth prospects**



**AUM ~ USD 8.8 billion  
as of February 29, 2024**

AUM has grown at a CAGR of 16.6% (INR) since 2014 (as of February 29, 2024)



## Customers

- Managed over **5.6 million customer folios** since inception.
- **1.9 million** active customer folios.

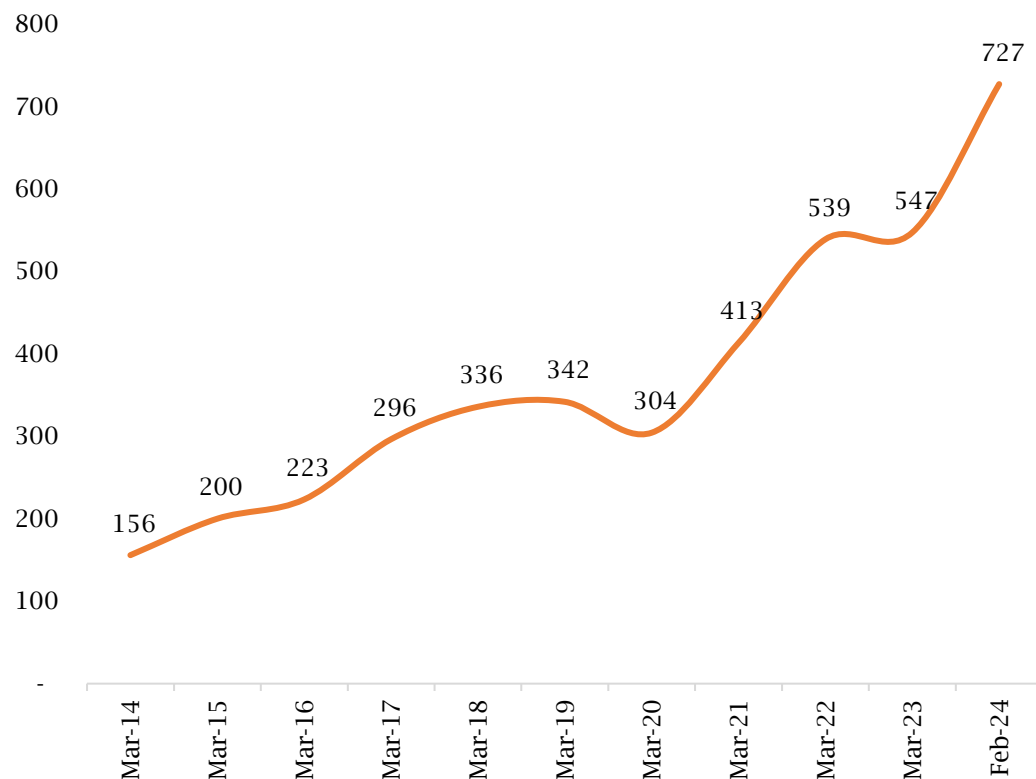


## Distribution footprints

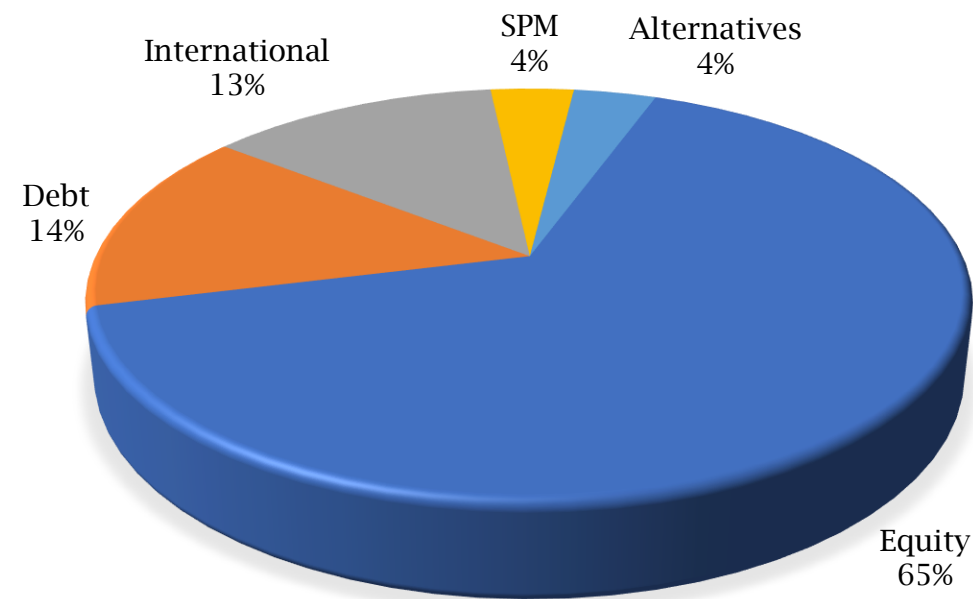
- Over **50,000 empaneled distributors**
- **80 customer care centers** spread across **22 States**, with offices in Singapore and Dubai

# Sundaram AMC – Investment Manager

AUM (INR mn)



AUM COMPOSITION



Data as of February 29, 2024.

# Sundaram Alternates – subsidiary of SAMC



## PORTFOLIO MANAGEMENT SERVICES (PMS)

Dedicated manager with focused strategies to generate higher alpha



## ALTERNATIVE INVESTMENT FUNDS (AIF)

- Category II
  - RE Credit Fund – I: raised in Oct 18, matured in Oct 2022
  - RE Credit Fund – II: raised in Feb 21
  - RE Credit Fund - III: raised in Oct 22
  - Emerging Corporate Credit Opportunities I (ECCO-I) – raised in 2023
  - RE Credit Fund - IV: launched June 2023
- Category III
  - Sundaram India Premier Fund: launched in Sep 2018
  - ACORN mid & small cap fund, launched in Feb 2020
  - ATLAS I, an open-ended multi-cap AIF; launched in Jan 2022
  - ATLAS II, a close ended multi-cap AIF; launched in Dec 2022



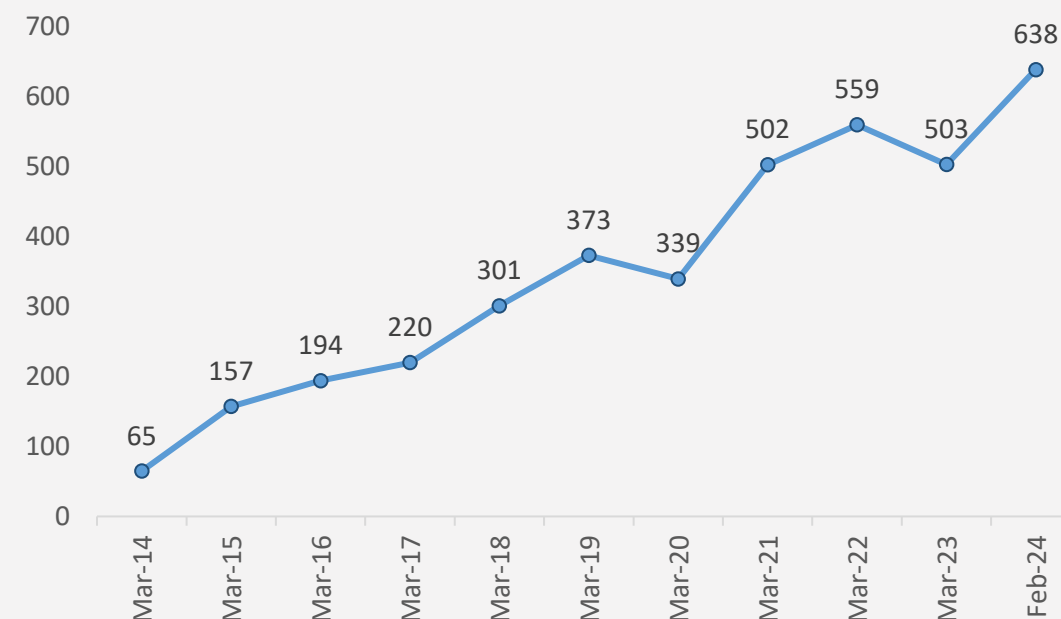
## ADVISORY SERVICES

- SMA pools across RE of ~INR 250 cr. and growing
- Foreign & domestic advisory mandates

*Incorporated as a wholly owned subsidiary of Sundaram AMC;  
commenced operations in January 2019*

AUM GROWTH

In USD millions



Assets Under Management (AUM) as of February 29, 2024; RBI reference rates have been used for FX conversions as on the said dates

# Contact us

**Anish Mathew**  
**Chief Executive Officer & Chief Investment Officer**  
Sundaram Asset Management Singapore Pte Ltd  
D: +65 65577086  
E: [anishm@sundarammutual.sg](mailto:anishm@sundarammutual.sg)

**Ramesh Krishnamurthy**  
**Chief Representative - Middle East & Africa Region**  
Sundaram Asset Management Company Limited  
(Dubai Representative Office)  
M: +971 55 5123639  
E: [ramesh.krishnamurthy@sundarammutual.com](mailto:ramesh.krishnamurthy@sundarammutual.com)

**Karthick Narayanan**  
**Sr. AVP - International Business**  
Sundaram Asset Management Company Limited  
(Dubai Representative Office)  
M: +971 55 6095049  
E: [karthick@sundarammutual.com](mailto:karthick@sundarammutual.com)

**Sanjana J Nichani**  
**Senior Manager - International Business**  
Sundaram Asset Management Company Limited  
Sundaram Towers, 46 Whites Road, Chennai, India  
D: +91 44 45968734  
E: [sanjanan@sundarammutual.com](mailto:sanjanan@sundarammutual.com)

## Address

**Sundaram Asset Management Singapore Pte. Ltd.**  
50 Armenian Street, #02-02, Wilmer Place Singapore 179938  
[www.sundarammutual.sg](http://www.sundarammutual.sg)

**Sundaram Asset Management Company Limited**  
Sundaram Towers, 46 Whites Road, Chennai, India

# Disclaimer

**General Disclaimer:** This document is issued by **Sundaram Asset Management** for your exclusive and confidential reference. This document is produced for information purposes only. It does not constitute a prospectus or offer document or an offer or solicitation to buy any securities or other investment. Information and opinion contained in this document are published for the assistance of the recipient only; they are not to be relied upon as authoritative or taken as a substitution for exercise of judgment by any recipient. They are subject to change without any notice and not intended to provide the sole basis of any evaluation of the instrument discussed or offer to buy. It is neither a solicitation to sell nor shall it form the basis of or be relied upon in connection with any contract or commitment whatsoever or be taken as investment advice. The information and opinions contained in this communication have been obtained from sources that Sundaram Asset Management believes to be reliable; no representation or warranty, express or implied, is made that such information is accurate or complete and it should not be relied upon as such. Sundaram Asset Management neither guarantees its accuracy and/or completeness nor does it guarantee to update the information from time to time. This communication is for private circulation only and for the exclusive and confidential use of the intended recipient(s). Any other distribution, use or reproduction of this communication in its entirety or any part thereof is unauthorized and strictly prohibited. By accepting this document you agree to be bound by the foregoing limitations. This communication is for general information only without regard to specific objectives, financial situations and needs of any particular person who may receive it and Sundaram Asset Management is not soliciting any action based on this document. In the discharge of its functions, Sundaram Asset Management may use any of the data presented in this document for its decision-making purpose and is not bound to disclose the same. For details about fund management services and performance, please refer to the Disclosure Documents available at the offices of the AMC.

**Securities investments are subject to market risks and there is no assurance or guarantee that the objectives of portfolios will be achieved.** As with any securities investment, the value of a portfolio can go up or down depending on the factors and forces affecting the capital markets. Past performance of the Fund Manager or AMC may not be indicative of the performance in the future. Sundaram Asset Management is not responsible or liable for losses resulting from the operations of any portfolio. The value of any portfolio illustrated in this document may be affected by changes in the **general** market conditions, factors and forces affecting capital markets in particular, level of interest rates, various market related factors and trading volumes, settlement periods and transfer procedures. The liquidity of investments are inherently restricted by trading volumes in the securities in which it invests. Investors in portfolios are not offered any guaranteed returns.