

**Investment Manager:** Sundaram Asset Management Singapore Pte Ltd

**Launch Date:** 1 July 2015

**Domicile:** Singapore

**Fund Type:** Open-end Equity, Daily dealing

**Investors:** Accredited Investors and Institutional Investors

**Positioning:** A diversified portfolio of 30 listed companies with leading global brands and business presence across developed and emerging markets

**Approach:** Generate long term capital appreciation for investors by investing in listed equity and equity related securities of leading global brand owners. The portfolio shall consist of companies from at least 3 different countries at any given point in time.

**Style:** Besides having strong globally recognised brands, investee companies are also typically characterised by strong balance sheets and cash flows.

Class Name	ISIN / Bloomberg Ticker
Classic Class	SG9999013866 / SGBFCLA SP
Platinum Class	SG9999013874 / SGBFPLA SP
Sapphire Class	SG9999013882 / SGBFSAP SP
Institutional Class	SG9999013890 / SGBFINS SP
Cornerstone Class	SG9999013858 / SGBFCOR SP

**Market-cap profile of the portfolio**

USD Billion

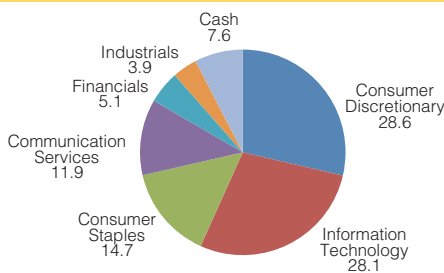
Weighted Average Market cap	283
Median Market Cap	133
Largest-value stock by market cap	782
Smallest-value stock by market cap	23

Source: Bloomberg Analysis: Sundaram Asset Management

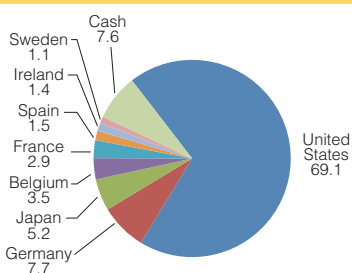
**Distribution History**

Ex-Date	Distribution
16 October 2018	USD 7 cents per unit
17 July 2018	USD 5 cents per unit
23 January 2018	USD 5 cents per unit
13 October 2017	USD 3 cents per unit
15 February 2017	USD 3 cents per unit
24 August 2016	USD 3 cents per unit

**Sector Classification (%)**



**Country Distribution (%)**



Information as of 31 December 2018

**USD Returns (%)**

Period	Fund	MSCI ACWI Index	Excess return	MSCI World Index	Excess return
1 Month	-7.4	-7.2	-0.2	-7.7	0.3
1 Year	-7.6	-11.2	3.6	-10.4	2.9
3 Years	3.5	4.5	-1.0	4.3	-0.8
Since Inception*	3.8	1.9	1.8	2.2	1.6

\* Fund inception date: 1 July 2015. Performance details provided is for the Classic unit class and includes dividends paid out. Performance greater than one year on a compounded annualised basis. Past performance may or may not be sustained in the future. Performance as of 31 December 2018  
Data Source: Bloomberg Analysis: Sundaram Asset Management

**Fund Manager Comments**

During the month, the Fund underperformed MSCI ACWI while outperforming MSCI World. Underperformance versus MSCI ACWI was largely on account of emerging markets significantly outperforming developed markets. At the stock level, performance was impacted by sharp losses in H&M and Inditex (fall out from the ASOS warning) and in UPS and American Express (global slowdown worries) and InBev (dividend cut + stagnating beer sales). On the positive side, there were gains in an extremely weak market in LVMH and Hermes (bounce back from oversold levels) and in GE (asset sale hopes).

Global economic data is showing signs of a broad based slowdown. The J.P. Morgan Global Manufacturing PMI fell to a 27 month low in December. The average reading over the fourth quarter was the lowest since 3Q 2016. PMI readings were below the neutral 50 mark for 10 nations (including China, France, Italy, Taiwan and South Korea) out of the 30 for which December data was available. New order growth was the weakest since August 2016, while new export business fell for the fourth month in a row. Pace of job creation slipped to its lowest in over two years, while the degree of optimism among firms was the weakest in the series history. The J.P.Morgan Global Services Business Activity Index also was weaker in December compared to the previous month. The average index reading in the fourth quarter was the weakest since 4Q 2016. Main source of the slowdown was the euro area, where output growth was the weakest since November 2014.

In addition, there were profit warnings from key corporates operating in diverse industries and geographies such as Apple, FedEx, Delta Airlines, BASF, ASOS, BMW and Daimler. That said, an imminent recession as many fear, seems unlikely as economic growth is not collapsing. In US, December jobs report came in well above expectations and the average monthly additions for the year and wage growth was healthy. ISM indices, though down sequentially, remain solidly above the 50 mark. In Europe, volume of retail sales rose 0.6% mom in November while October industrial production surprised positively, rising 1.2% yoy. In China, fixed asset investment growth was above expectations at 5.9% yoy in the first 11 months of 2018 while surveyed jobless rate dropped marginally to 4.8% in November.

On the policy front, Fed Chairman Jerome Powell, in a recent talk, raised the possibility of a pause in the Fed's interest rate hiking campaign and an alteration in its balance sheet reduction plans. This was in contrast to just a few weeks ago, when Powell highlighted projections of two rate increases in 2019, on top of the four in 2018, and said that he didn't see the Fed changing its balance sheet plans. ECB in the meantime, despite the economic slowdown, confirmed the end of its QE programme but said that it would keep reinvesting cash from maturing bonds for a long time after its first interest rate hike. On the trade war front, while it is too early to draw any firm conclusion, there were positive signs with talks between US and Chinese negotiators getting extended by a day.

Global equity markets were extremely weak during the month as investors were spooked by weak economic data and a spate of profit warnings. The fund portfolio, which consists of quality stocks from around the world, is trading at 13.6x estimated 2020 earnings, with an average RoE of 17.8%, dividend yield of 2.4% and an average annual earnings growth of 9.2% over the next 2 years.

**Top 10 Stocks (%)**

Security	Weight	Security	Weight
Microsoft Corp	5.0	McDonald's Corp	4.5
Amazon.com Inc	5.0	Cisco Systems Inc	4.3
Alphabet Inc	4.9	Walt Disney Co/The	4.2
Procter & Gamble Co/The	4.8	Coca-Cola Co/The	3.7
Apple Inc	4.5	JPMorgan Chase & Co	3.7

**Risk Metrics\***

Parameter/Period	One Year	Two Years	Since Launch	Parameter/Period	One Year	Two Years	Since Launch
<b>Sharpe Ratio</b>				Standard Deviation	12.4	10.4	11.6
Fund	-0.8	0.1	0.1	Beta	0.9	0.9	0.9
MSCI ACWI	-1.0	0.2	0.0	Alpha	2.4	-0.9	1.4
MSCI World	-1.0	0.2	0.0	Information Ratio	1.4	-0.3	0.4
<b>Sortino Ratio</b>				Treynor Ratio	-11.3	1.0	1.0
Fund	-1.0	0.1	0.1	Tracking error	2.7	3.7	4.0
MSCI ACWI	-1.4	0.2	-0.1	Correlation	1.0	0.9	0.9
MSCI World	-1.3	0.2	-0.1				

\* Ratios based on USD returns

Analysis: Sundaram Asset Management

## Fund Manager

**Mr. Anish Mathew** is the Chief Executive officer and Chief Investment Officer of Sundaram Asset Management, Singapore. Anish has over 25 years of experience in Indian and Asian capital markets. Prior to joining Sundaram Asset Management, Anish has worked with Societe Generale Asset Management, Singapore as the Deputy Chief Investment Officer, where he was responsible for Asia Pacific ex-Japan investments. Anish was formerly Director-Investments of Deutsche Asset Management, Singapore, where he was responsible for Asian equity investments with a focus on Asian Emerging Markets. Anish holds a Bachelor's degree in Commerce (Honours) from Delhi University, India and a Post Graduate Diploma in Management (MBA) from the Xavier Institute of Management, India.

## Disclaimer

An Offer Document for the Sundaram Global Brand Fund ("Fund") may be obtained from the Manager or any of its appointed distributors.

**Investors should read the Offer Document before deciding whether to subscribe for or purchase units in the Fund** ("Units"). All applications for Units must be made on application forms accompanying the Offer Document or otherwise as described in the Offer Document.

Past performance of the Fund or the Manager and any prediction, projection or forecast on the economy or markets are not necessarily indicative of the future or likely performance of the Fund or the Manager. Any extraordinary performance may be due to exceptional circumstances which may not be sustainable. The value of Units and any income from the Fund may fall or rise.

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**Investors may wish to seek advice from a financial adviser before making a commitment to invest in Units.** In the event an investor chooses not to seek advice from a financial adviser, the investor should consider carefully whether the Fund is suitable for his/her investment.