

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

**Investment Advisor:** Sundaram Asset Management Company Ltd, India

**Launch Date:** 7 July 2014

**Domicile:** Singapore

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

**Investor Restriction:** Only Accredited Investors and Institutional Investors

**AUM:** US\$ 152.0 million

**Positioning:** Pure India focused mid-cap and small-cap equity fund-Picking tomorrow's winners on ability to grow.

**Approach:** Generate capital appreciation by taking a predominantly bottom up approach to stock picking with a strict adherence to the mid and small cap mandate.

**Style:** Own stocks of companies that exhibit the ability to grow in a sustainable manner.

**Benchmark:** S&P BSE Mid Cap TR Index

**Mid-Cap Definition:** Stocks with market-cap lower than that of the 50th stock on the NSE.

| Class Name          | ISIN / Bloomberg Ticker   |
|---------------------|---------------------------|
| Classic Class       | SG9999011928 / SIMFCLA SP |
| Institutional Class | SG9999011944 / SIMFINS SP |
| Emerald Class       | SG9999011936 / SIMFEME SP |
| Cornerstone Class   | SG9999011910 / SIMFCOR SP |

#### Market-cap profile of the portfolio

USD Million

|  |       |
|--|-------|
| Mid-cap threshold (market-cap of 50th stock) | 7,126 |
| Weighted Average Market cap                  | 2,020 |
| Median Market Cap                            | 1,911 |
| Largest-value stock by market cap            | 5,153 |
| Smallest-value stock by market cap           | 59    |

Source: Bloomberg Analysis: Sundaram Asset Management

#### Distribution History

| Ex-Date          | Distribution         |
|------------------|----------------------|
| 03 April 2019    | USD 5 cents per unit |
| 17 January 2018  | USD 5 cents per unit |
| 06 October 2017  | USD 3 cents per unit |
| 02 May 2017      | USD 3 cents per unit |
| 15 February 2017 | USD 5 cents per unit |
| 18 October 2016  | USD 5 cents per unit |
| 21 June 2016     | USD 3 cents per unit |
| 09 July 2015     | USD 5 cents per unit |
| 12 February 2015 | USD 5 cents per unit |

#### 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.

Information as of 31 July 2019, unless specified

#### USD Returns (%)

| Period           | Fund  | S&P BSE Mid Cap TR Index | Excess return | MSCI India TR Index | Excess return |
|------------------|-------|--------------------------|---------------|---------------------|---------------|
| 1 Month          | -8.5  | -7.5                     | -1.0          | -5.2                | -3.3          |
| Year to Date     | -8.2  | -10.0                    | 1.8           | 2.1                 | -10.2         |
| 1 Year           | -15.7 | -14.4                    | -1.2          | -3.9                | -11.7         |
| 3 Years          | 0.2   | 2.6                      | -2.4          | 6.6                 | -6.4          |
| Since Inception* | 6.3   | 5.6                      | 0.7           | 3.7                 | 2.7           |

\* Fund inception date: 7 July 2014. 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 July 2019  
Data Source: Bloomberg Analysis: Sundaram Asset Management

#### Fund Manager Comments

During the month, the Fund underperformed the S&P BSE Midcap and MSCI India indices, impacted largely by double digit losses in RBL Bank (worsening NPL outlook), Health Care Global (long gestation period for new hospitals), NCC (review of some existing projects by the newly elected Andhra Pradesh state government), Quess (loans to poorly performing subsidiaries) and Force Motors (weak auto sales).

Economic data during the month was mixed. May Industrial Production came in slightly above expectations, rising 3.1% yoy but declined 1.2% on a sequential basis. Auto sales remained weak, falling by double digits in July across most categories. Inflation was subdued, remaining flat at 3.1% yoy in June, coming in line with expectations. The ongoing monsoon season picked up strongly in July. As a result, the overall season deficiency is now down to 9% from 30% a month ago. Kharif (summer) crop area sown has also improved, with total crop area under cultivation now 7% below normal compared to a 26% deficiency as of end June.

The Rupee appreciated 0.3% mom in July versus the US Dollar, outperforming its emerging market peers as represented by the JPM EM FX, which fell 0.7% mom. Foreign exchange reserves hit an all time high of USD 430.4 billion during the month. Trade deficit declined slightly mom to USD 15.3 bn in June.

The June quarter reporting season is currently underway and is trending slightly behind expectations. Out of the 28 of the Nifty 50 constituents that have reported so far, 19 have either met or beaten expectations. On an aggregate basis, revenues have grown 8% yoy for these companies while profit after tax has declined 1.9% yoy.

Market remained weak during the month as investors grappled with the slowing economy and higher taxation for most foreign investors arising from the recent budget. We remain positive on the medium and long term prospects of the Indian economy. The fund portfolio is currently trading at 18.2x March 2021 internally estimated earnings, with an average RoE of 15.0% and an average estimated annual earnings growth of 19.5% over the next 2 years.

#### Active Stock Exposures (%)

| Stocks                    | Sundaram India Midcap | S&P BSE Mid Cap | Active Exposure |
|---------------------------|-----------------------|-----------------|-----------------|
| <b>Overweight</b>         |                       |                 |                 |
| Trent                     | 3.9                   | —               | 3.9             |
| Ramco Cements             | 4.7                   | 1.4             | 3.3             |
| Honeywell Automation      | 3.1                   | 0.8             | 2.4             |
| Schaeffler India          | 2.3                   | —               | 2.3             |
| Sundaram-Clayton          | 2.2                   | —               | 2.2             |
| <b>Underweight</b>        |                       |                 |                 |
| Divi's Laboratories       | —                     | 3.1             | -3.1            |
| Bajaj Holdings & Invest.  | —                     | 2.8             | -2.8            |
| Havells India             | —                     | 2.4             | -2.4            |
| Colgate-Palmolive India   | —                     | 2.4             | -2.4            |
| Shriram Transport Finance | —                     | 2.1             | -2.1            |

Active exposure is relative to benchmark.

#### Active Sector Exposures (%)

| Sectors                | Sundaram India Midcap | S&P BSE Mid Cap | Active Exposure |
|------------------------|-----------------------|-----------------|-----------------|
| <b>Overweight</b>      |                       |                 |                 |
| Industrials            | 21.3                  | 13.1            | 8.2             |
| Consumer Discretionary | 18.7                  | 15.8            | 3.0             |
| Materials              | 11.6                  | 9.4             | 2.2             |
| Information Technology | 5.2                   | 3.9             | 1.3             |
| Communication Services | 1.3                   | 1.1             | 0.2             |
| <b>Underweight</b>     |                       |                 |                 |
| Financials             | 20.2                  | 29.1            | -8.9            |
| Health Care            | 7.0                   | 11.3            | -4.3            |
| Consumer Staples       | 6.5                   | 9.8             | -3.3            |
| Utilities              | 3.4                   | 6.4             | -3.0            |
| Energy                 | —                     | 0.2             | -0.2            |

#### Risk Metrics\*

| Parameter/Period     | One Year | Three Year | Since Launch | Parameter/Period   | One Year | Three Year | Since Launch |
|----------------------|----------|------------|--------------|--------------------|----------|------------|--------------|
| <b>Sharpe Ratio</b>  |          |            |              | Standard Deviation | 18.3     | 15.3       | 16.1         |
| Fund                 | -1.2     | -0.3       | 0.2          | Beta               | 0.9      | 0.9        | 0.9          |
| S&P BSE Midcap       | -1.0     | -0.1       | 0.2          | Alpha              | -4.0     | -3.0       | 0.2          |
| MSCI India           | -0.7     | 0.1        | 0.0          | Information Ratio  | -0.4     | -0.5       | 0.0          |
| <b>Sortino Ratio</b> |          |            |              | Tracking error     | 4.8      | 5.1        | 5.3          |
| Fund                 | -1.7     | -0.5       | 0.3          | Treynor ratio      | -24.8    | -5.9       | 3.2          |
| S&P BSE Midcap       | -1.4     | -0.2       | 0.3          | Correlation        | 1.0      | 1.0        | 1.0          |
| MSCI India           | -1.0     | 0.1        | 0.0          |                    |          |            |              |

\*Ratios based on INR returns

Analysis: Sundaram Asset Management

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**Information for Swiss based Qualified Investors**

The domicile of the Fund is Singapore. The Representative of the Fund in Switzerland is OpenFunds Investment Services AG, with its registered office at Seefeldstrasse 35, 8008 Zurich, [www.open-funds.ch](http://www.open-funds.ch). The Paying Agent in Switzerland is Società Bancaria Ticinese SA, Piazza Collegiata 3, 6501 Bellinzona, Tel. +41 91 821 51 21, Fax. + 41 91 825 66 18, [www.bancaria.ch](http://www.bancaria.ch). The distribution of Shares of the Fund (the "Interests") in Switzerland must be made exclusively to Qualified Investors. The place of performance and jurisdiction for the Interests in the Fund distributed in Switzerland is at the registered office of the Representative. Publications in respect of the Shares of the Fund are effected on the electronic platform [www.fundinfo.com](http://www.fundinfo.com).