

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\$ 168.5 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)	7,811
Weighted Average Market cap	2,184
Median Market Cap	1,833
Largest-value stock by market cap	5,128
Smallest-value stock by market cap	90

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 May 2019, unless specified

USD Returns (%)

Period	Fund	S&P BSE Mid Cap TR Index	Excess return	MSCI India TR Index	Excess return
1 Month	2.6	1.4	1.2	0.2	2.4
Year to Date	1.9	-1.9	3.7	8.0	-6.1
1 Year	-10.6	-7.8	-2.8	7.2	-17.7
3 Years	7.4	9.7	-2.4	11.1	-3.8
Since Inception*	8.8	7.7	1.1	5.0	3.8

* 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 May 2019
Data Source: Bloomberg Analysis: Sundaram Asset Management

Fund Manager Comments

During the month, the Fund outperformed the S&P BSE Midcap and MSCI India indices, aided by double digit gains in a flattish market in Timken India, Blue Star, Tata Global Beverages, Federal Bank and Aarti Industries. With the exception of Tata Global where the performance was driven by corporate restructuring, the gains were largely derived from better than expected corporate results.

The sweeping re-election of the ruling NDA led by Prime Minister Modi dominated the news flow for the month. Of the 543 seats that were up for grabs, BJP and the NDA secured 303 and 353 seats respectively, bettering the 282 and 336 seats that they had respectively won in the previous general elections. This was also the first time since 1971 that an incumbent prime minister had secured an absolute majority for the Party for a second successive term. This dominant showing removes the overhang of political uncertainty that was holding back corporate and consumer spending over the last year or so and also paves the way for further reforms going forward.

Recent economic data points were however mostly behind expectations. March quarter GDP growth surprised sharply to the downside, coming in at a five year low of 5.8% yoy. The disappointment was mainly due to a sharp slowdown in fixed investment which grew at 3.6% yoy versus 11.7% in the previous quarter. March Industrial Production also came in behind expectations, contracting sequentially for the third consecutive month. The Nikkei India Composite PMI Output Index in May remained unchanged from April as an improved performance by the manufacturing sector was offset by weakness in services. Inflation came in at 2.9% yoy in April, unchanged from the previous month.

Weak growth and subdued inflation resulted in the Monetary Policy Committee cutting rates by 25 bps in its early June meeting in line with expectations and changing its stance to accommodative from neutral.

The Rupee fell 0.2% mom in May, outperforming its emerging market peers as represented by the JPM EM FX which fell 1.5% mom. Trade deficit for April widened to a five month high largely on account of weak exports.

March quarter result season though overall robust, was slightly behind expectations. For the BSE 100 components, revenue and EBITDA grew by 10% and 9% yoy respectively while profit after tax grew a solid 27% yoy boosted by the financial sector which benefited from declining provisioning expenses.

Indian equities withstood the sharp sell off in global equities, underpinned by the strong showing of the ruling party in the recent elections. With political uncertainty out of the way, we are positive on the medium to long term prospects of the Indian economy and market. The fund portfolio is currently trading at 19.3x March 2021 internally estimated earnings, with an average RoE of 15% and an average estimated annual earnings growth of 22% over the next 2 years.

Active Stock Exposures (%)

Stocks	Sundaram India Midcap	S&P BSE Mid Cap	Active Exposure
Overweight			
Trent	3.4	—	3.4
Ramco Cements	4.7	1.4	3.3
Schaeffler India	2.5	—	2.5
Honeywell Automation	3.1	0.8	2.3
Sundaram-Clayton	2.2	—	2.2
Underweight			
Divi's Laboratories	—	2.8	-2.8
Bajaj Holdings & Invest.	—	2.7	-2.7
Havells India	—	2.6	-2.6
Shriram Transport Finance	—	2.3	-2.3
Colgate-Palmolive India	—	2.1	-2.1

Active exposure is relative to benchmark.

Active Sector Exposures (%)

Sectors	Sundaram India Midcap	S&P BSE Mid Cap	Active Exposure
Overweight			
Industrials	22.4	13.0	9.4
Consumer Discretionary	18.8	15.6	3.2
Materials	12.5	9.5	3.1
Information Technology	6.1	3.8	2.3
Communication Services	1.3	1.1	0.2
Underweight			
Financials	21.1	31.2	-10.1
Health Care	6.3	10.6	-4.3
Utilities	2.3	6.2	-3.9
Consumer Staples	6.0	8.8	-2.8
Energy	—	0.2	-0.2

Risk Metrics*

Parameter/Period	One Year	Three Year	Since Launch	Parameter/Period	One Year	Three Year	Since Launch
Sharpe Ratio				Standard Deviation	16.88	14.71	15.66
Fund	-0.83	0.14	0.36	Beta	19.50	17.00	15.92
S&P BSE Midcap	-0.54	0.27	0.33	Alpha	-5.24	-1.74	0.69
MSCI India	0.26	0.42	0.12	Information Ratio	-0.65	-0.46	0.06
Sortino Ratio				Tracking error	5.39	5.51	5.38
Fund	-1.12	0.20	0.51	Treynor ratio	-16.72	2.48	6.07
S&P BSE Midcap	-0.72	0.41	0.49	Correlation	0.97	0.95	0.94
MSCI India	0.36	0.68	0.19				

*Ratios based on INR returns

Analysis: Sundaram Asset Management

Disclaimer

An Offer Document for the Sundaram India Midcap 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.

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. 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. 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.