

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

**Investment Advisor:** Sundaram Alternate Assets 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\$ 104 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.

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

#### Platforms Available on

- Allfunds
- iFast

| 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) | 8,153 |
| Weighted Average Market cap                  | 2,587 |
| Median Market Cap                            | 2,325 |
| Largest-value stock by market cap            | 6,259 |
| Smallest-value stock by market cap           | 88    |

Source: Bloomberg Analysis: Sundaram Asset Management

#### Distribution History

| Ex-Date           | Distribution         |
|-------------------|----------------------|
| 24 September 2020 | USD 5 cents per unit |
| 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 30 September 2020, unless specified

#### USD Returns (%)

| Period           | Fund | Nifty Midcap 100 TR Index** | Excess Return | MSCI India TR Index# | Excess Return |
|------------------|------|-----------------------------|---------------|----------------------|---------------|
| 1 Month          | 1.6  | 1.6                         | 0.0           | 0.6                  | 1.0           |
| Year To Date     | -8.1 | -3.1                        | -5.1          | -4.5                 | -3.6          |
| 1 Year           | -5.4 | 2.7                         | -8.1          | 0.5                  | -6.0          |
| 3 Years          | -7.9 | -5.0                        | -2.9          | 2.1                  | -10.0         |
| 5 Years          | 1.9  | 4.2                         | -2.3          | 5.2                  | -3.3          |
| Since Inception* | 4.5  | 4.2                         | 0.2           | 3.1                  | 1.4           |

\*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 30 September 2020.

Data Source: Bloomberg

Analysis: Sundaram Asset Management

#### Fund Manager Comments

During the month, the Fund performed in line with the Nifty Midcap 100 TR Index while outperforming the MSCI India Index. Performance was aided by stocks such as Apollo Hospitals (+32% on positive Q1 results and cost rationalization), Natco Pharma (+26% on first mover advantage to launch generic Revlimid drug), Mindtree (+16% on better prospects) and IPCA Labs (+15% on improved growth prospects). Key underperformers included Federal Bank and DCB Bank which were down 12% each due to profit booking.

The portfolio underwent the following changes during the month: exit of IRCTC (continued low railway traffic) and Bandhan Bank (weak outlook). The fund also booked partial profits in Tata Consumer Products and Trent on account of sharp up move in these stocks. The Fund initiated new positions in Zee entertainment (likely beneficiary of higher ad spending) and Ashok Leyland (growth in commercial vehicles segment bottoming out) and participated in the IPO of UTI Asset Management Company as an Anchor investor (attractive relative valuations).

In absolute terms, Covid-19 situation in India continues to be worrisome with the cumulative number of infections crossing the 6 mn mark. However, recovery rate at 82.5% and mortality rate at 1.6% are much better than world averages.

Economic activity has been steadily picking up pointing towards a solid recovery. India's Manufacturing sector growth moved up a gear with Manufacturing PMI coming in at 56.8 in September as compared to 52 in August, the third fastest pace of increase in survey history. GST collections growth turned positive on a yoy basis in September, the first positive growth in last 6 months. With the easing of lockdown in India, other high frequency indicators marked significant improvement in September. Power demand grew 4.6% yoy as against negative demand of 2.2% in August 2020 and E-way bill generation was up 6.6% yoy. September passenger car sales gained momentum improving 35% yoy. Monsoons season ended on a positive note with cumulative rainfall as of end September at 8.4% above the long-term average. Advance estimates indicate Kharif food grains output to be 2.8% higher yoy auguring well for rural income and inflation going forward. August retail inflation, aided by some moderation in food inflation, came in at 6.7% and remained broadly unchanged from July.

Rupee depreciated by 0.2% in September, significantly outperforming its emerging market peers as represented by the JPM EM FX (-1.7%). Foreign exchange reserves surged to an all-time high of USD 545 bn during the month.

On the policy front, the Government announced key structural reforms to boost long term growth and farmers' income. Three new labour laws have been passed replacing 24 central labour laws. These laws offer greater flexibility to the companies in relation to staff employment and also extend basic social security (insurance and provident fund) to fixed term migrant workers. On the agricultural front, the Government has enacted legislation giving farmers the freedom of choice to sell their produce. These are significant reforms and will yield their fruits in the years to come.

Indian equities were steady during the month supported by improved sentiments and pick up in economic activity. We remain positive on the medium and long term prospects of the Indian economy.

#### Active Stock Exposures (%)

| Sectors                | Sundaram India Midcap | Nifty Midcap 100 TR Index | Active Exposure |
|------------------------|-----------------------|---------------------------|-----------------|
| <b>Overweight</b>      |                       |                           |                 |
| Tata Consumer Products | 3.9                   | —                         | 3.9             |
| Honeywell Automation   | 3.4                   | —                         | 3.4             |
| Ramco Cements/The      | 3.8                   | 1.3                       | 2.5             |
| Timken India           | 2.5                   | —                         | 2.5             |
| Whirlpool of India     | 3.2                   | 1.0                       | 2.2             |
| <b>Underweight</b>     |                       |                           |                 |
| Page Industries        | —                     | 1.7                       | -1.7            |
| AU Small Finance Bank  | —                     | 1.7                       | -1.7            |
| Yes Bank               | —                     | 1.7                       | -1.7            |
| Shriram Transport Fin. | —                     | 1.6                       | -1.6            |
| Zee Entertainment      | 1.0                   | 2.6                       | -1.6            |

Active exposure is relative to benchmark.

#### Active Sector Exposures (%)

| Sectors                | Sundaram India Midcap | Nifty Midcap 100 TR Index | Active Exposure |
|------------------------|-----------------------|---------------------------|-----------------|
| <b>Overweight</b>      |                       |                           |                 |
| Industrials            | 19.9                  | 12.5                      | 7.3             |
| Consumer Staples       | 9.4                   | 2.4                       | 6.9             |
| Information Technology | 6.3                   | 2.9                       | 3.4             |
| Materials              | 13.2                  | 12.8                      | 0.4             |
| <b>Underweight</b>     |                       |                           |                 |
| Financials             | 14.2                  | 24.4                      | -10.2           |
| Utilities              | 2.0                   | 5.8                       | -3.8            |
| Communication Services | 1.0                   | 4.3                       | -3.3            |
| Health Care            | 11.5                  | 13.2                      | -1.7            |
| Consumer Discretionary | 20.3                  | 21.2                      | -0.9            |
| Energy                 | 0.0                   | 0.4                       | -0.4            |

#### Risk Metrics\*

| Parameter/Period     | One Year | Three Year | Since Launch | Parameter/Period   | One Year | Three Year | Since Launch |
|----------------------|----------|------------|--------------|--------------------|----------|------------|--------------|
| <b>Sharpe Ratio</b>  |          |            |              | Standard Deviation | 36.14    | 24.24      | 20.20        |
| Fund                 | -0.01    | -0.29      | 0.20         | Beta               | 0.89     | 0.85       | 0.89         |
| Nifty Midcap 100 TR  | 0.23     | -0.11      | 0.23         | Alpha              | -8.52    | -4.40      | -0.36        |
| MSCI India TR#       | 0.11     | 0.11       | 0.11         | Information Ratio  | -1.17    | -0.54      | -0.15        |
| <b>Sortino Ratio</b> |          |            |              | Tracking error     | 8.07     | 7.23       | 6.23         |
| Fund                 | -0.01    | -0.29      | 0.20         | Treynor ratio      | -0.52    | -8.27      | 4.51         |
| Nifty Midcap 100 TR  | 0.19     | -0.12      | 0.25         | Correlation        | 0.98     | 0.97       | 0.96         |
| MSCI India TR#       | 0.11     | 0.12       | 0.13         |                    |          |            |              |

\*Ratios based on INR returns

Analysis: Sundaram Asset Management

**#Source MSCI:** None of the information is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such. Historical data and analysis should not be taken as an indication or guarantee of any future performance analysis, forecast or prediction. 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, non-infringement, 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](http://www.msci.com))

\*\* The index reference of the Sundaram India Midcap Fund has changed from S&P BSE Midcap Index-TR to Nifty Midcap 100 Index-TR with effect from 1 July 2020. The Nifty Midcap 100 Index-TR is a better representative of the constituents and positioning of the Fund as it contains a much smaller representation of large cap stocks compared to the S&P BSE Midcap Index-TR. This change is also in line with the change effected by the parent, Sundaram Asset Management Company Limited, for funds with similar investment objectives.

### 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.

The above information is **strictly for general information only and must not be construed as an offer or solicitation to deal in Units**, nor a recommendation to invest in any company mentioned herein. The Manager reserves the right to make any amendments to the information at any time, without notice. Performance data and analytics provided above are as of the stated dates.

Investments in unit trusts are not obligations of, deposits in, or guaranteed or insured by Sundaram Asset Management Singapore, or any affiliates or distributors. **The Fund may use or invest in financial derivative instruments and you should be aware of the risks associated with investments in financial derivative instruments which are described in the Fund's Offer Document.** An investment in unit trusts is subject to investment risks and foreign exchange risks, including the possible loss of the principal amount invested.

**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](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).