



Service



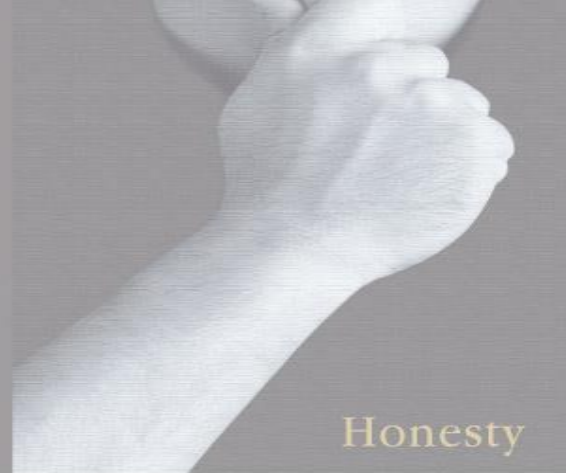
Discipline



Prudence



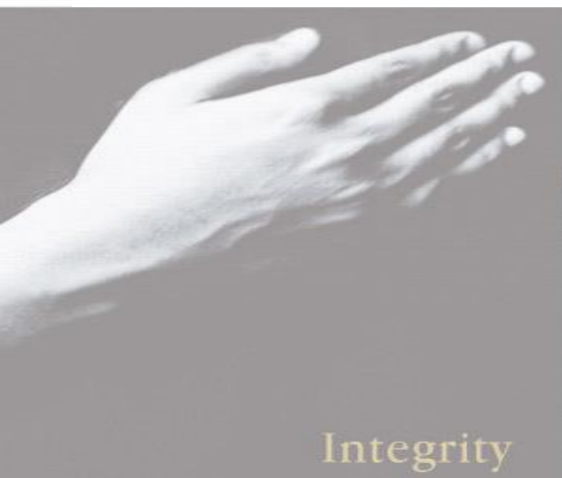
Fair play



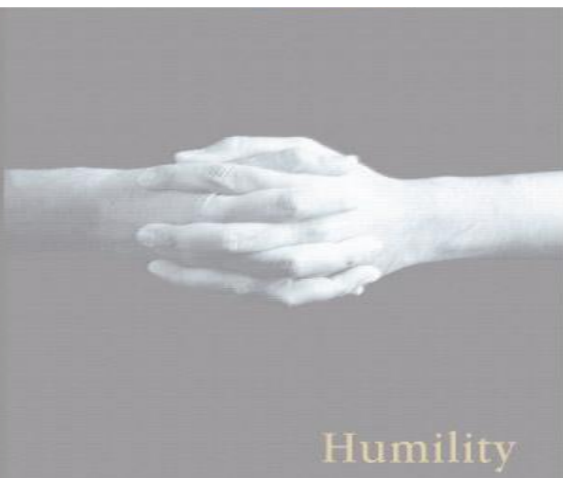
Honesty

# Sundaram India Midcap Fund

November 2022



Integrity



Humility



Openness



Relationships

# Sundaram Asset Management

- Headquartered in Chennai (India) with offices across India and in Singapore and Dubai.
- Wholly owned by the well renowned Sundaram Finance Limited.
- 25 years of experience in fund management and is among the pioneers in the Indian Fund Management industry with Assets Under Management of USD 6.8 billion as of 31 October 2022.
- 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.

## Key milestones

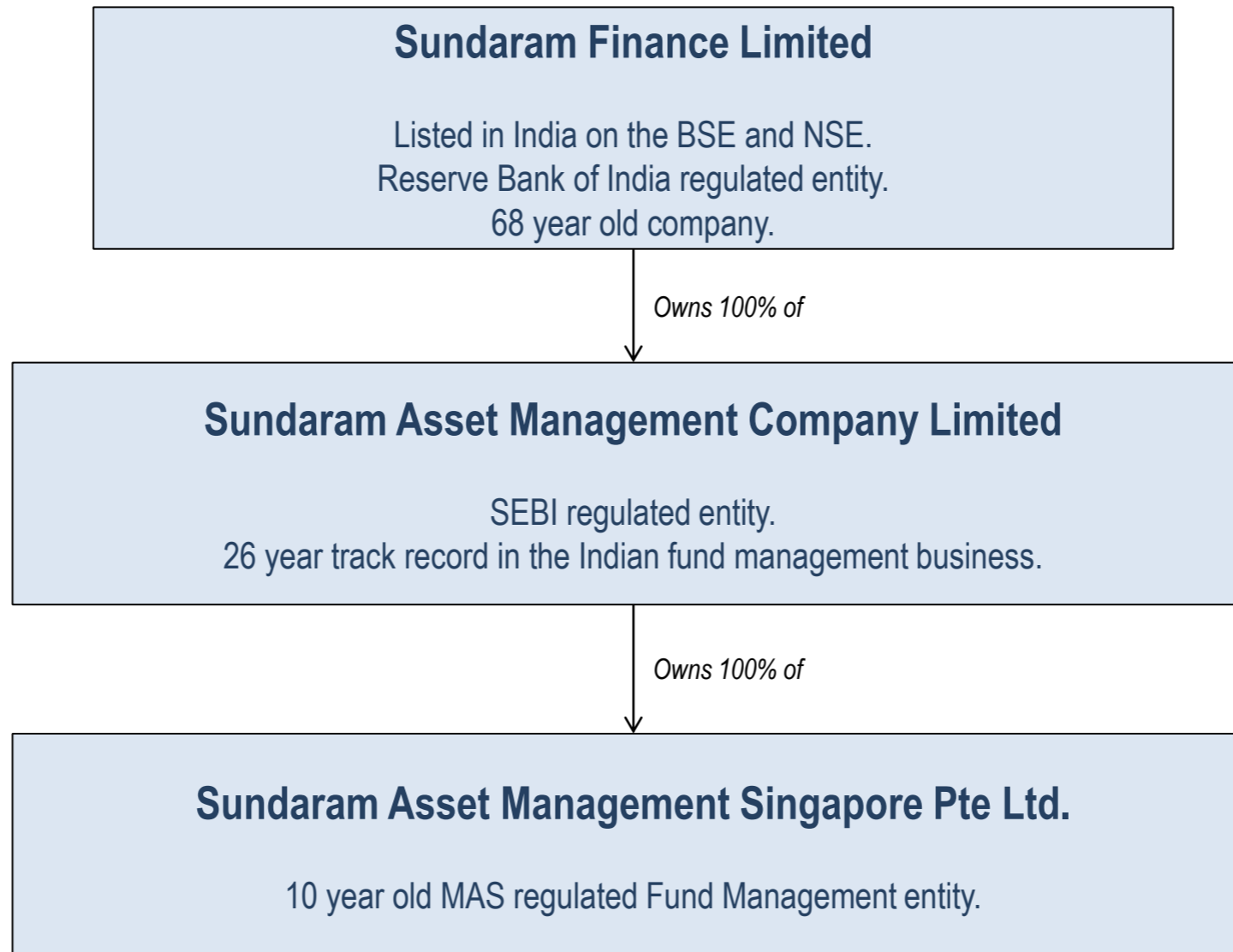
### Journey of Sundaram Asset Management:

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.***

# Sundaram Asset Management - Group Structure



Sundaram Finance Limited, incorporated in 1954, has grown today into one of the most trusted financial services groups in India.



Evolved from the legendary TVS group (Established in 1911), a diversified conglomerate and one of the largest manufacturer and distributor of auto components.



Sundaram Finance, the flagship company of the Sundaram group is driving the financial services business of the group.



## SUNDARAM FINANCE SUBSIDIARIES



Royal Sundaram  
General Insurance



Sundaram Asset  
Management Company  
Mutual Funds,  
Portfolio Management, AIF



Sundaram Home Finance  
Home loans

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



Pioneer in the Leasing and Hire Purchase Business



First NBFC to be Listed – in 1972



Over 600 Offices; Over 4000 Employees



Rated AAA (for Deposits) by CRISIL and ICRA



Market Cap ~USD 3.2 billion as on October 31, 2022



Market cap has grown at CAGR of 22.2% since listing

**Business roots & core competency in credit**



## TRACK RECORD & CAPABILITIES

- One of the earliest entrants in the Industry with 25 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 20.6% 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 6.8 billion  
as on October 31, 2022.



## CUSTOMERS

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



## DISTRIBUTION FOOTPRINT

- Over 50,000 empaneled distributors.
- 94 customer care centers spread across 21 States, with offices in Singapore and Dubai.

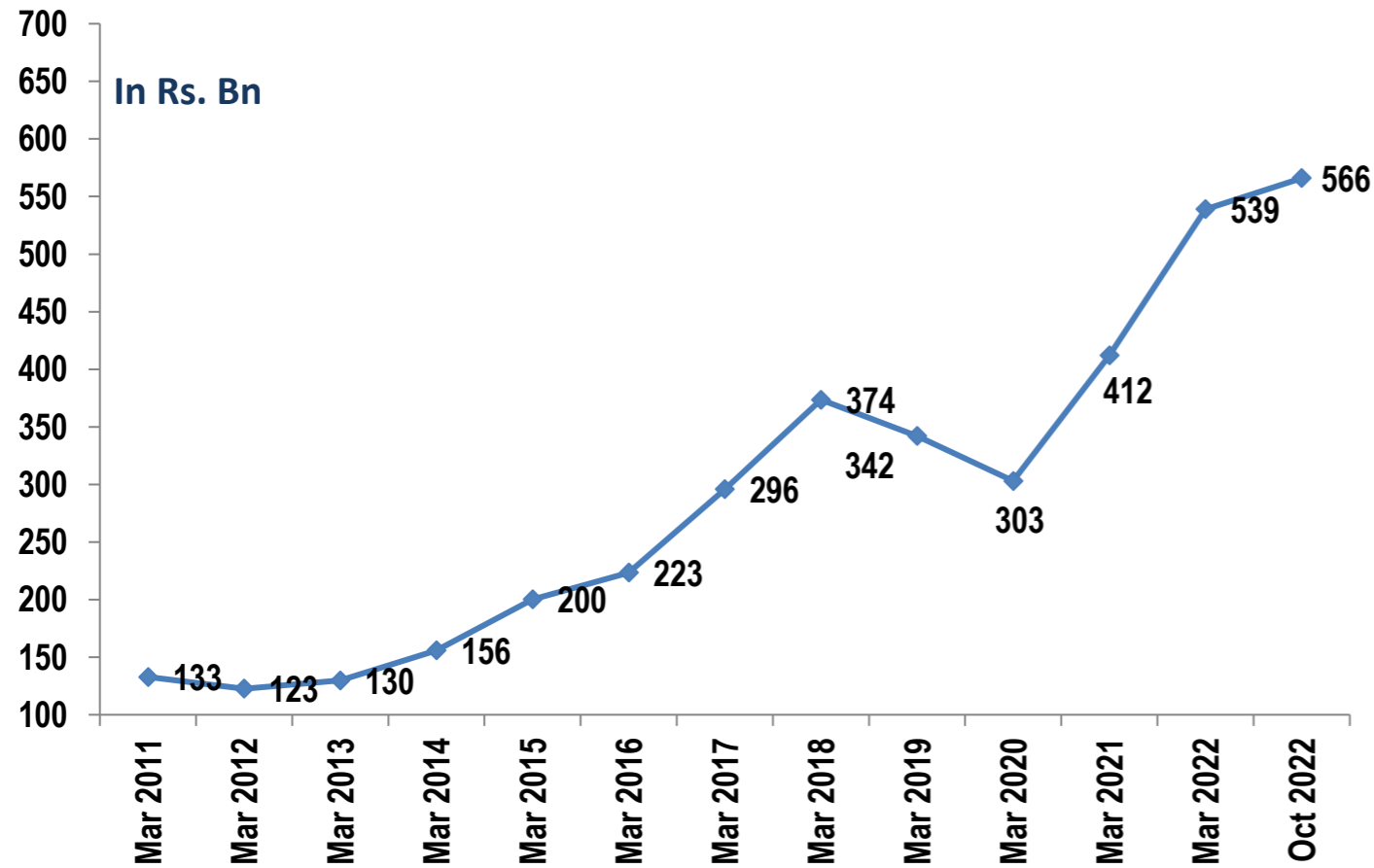


AUM has grown at a CAGR  
of 17% since 2014.

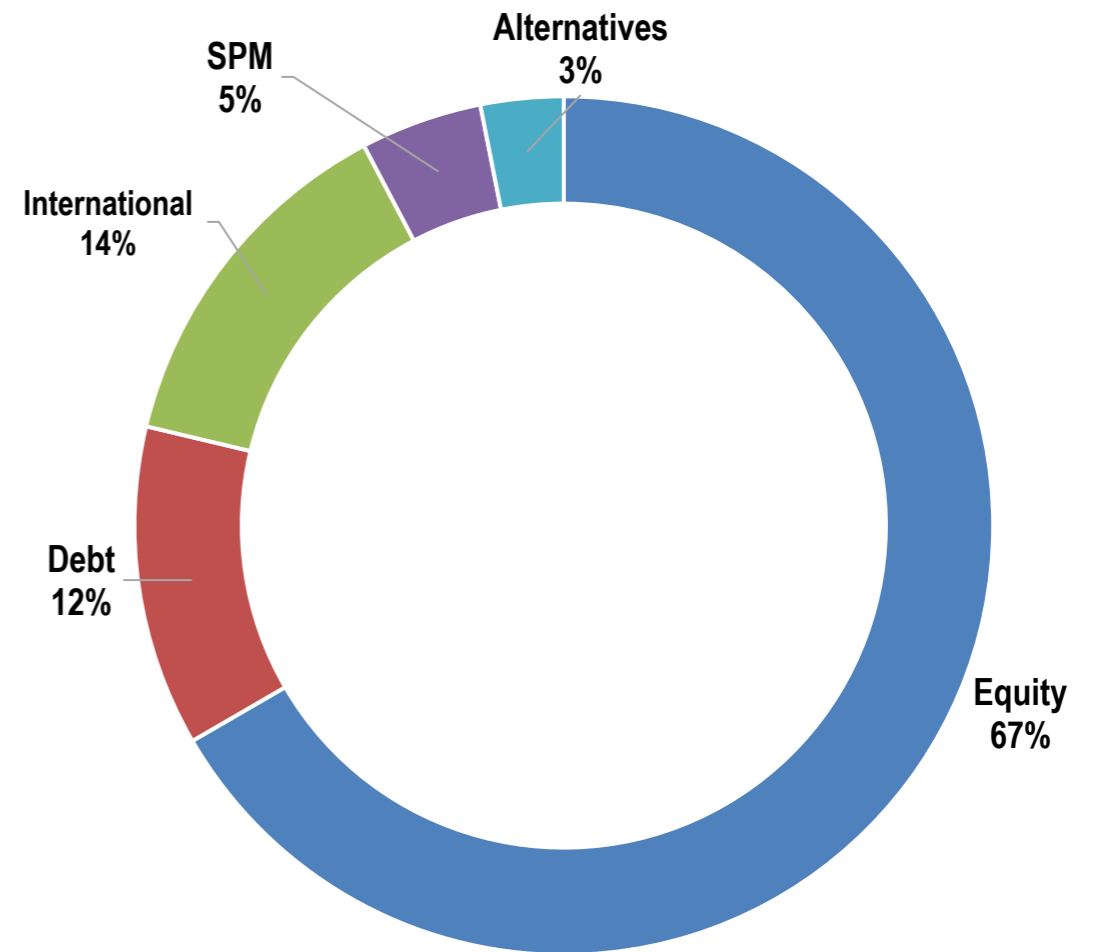
**Established fund manager**

# Sundaram AMC – Investment Manager

## AUM Growth



## AUM Composition



Data as of October 31, 2022



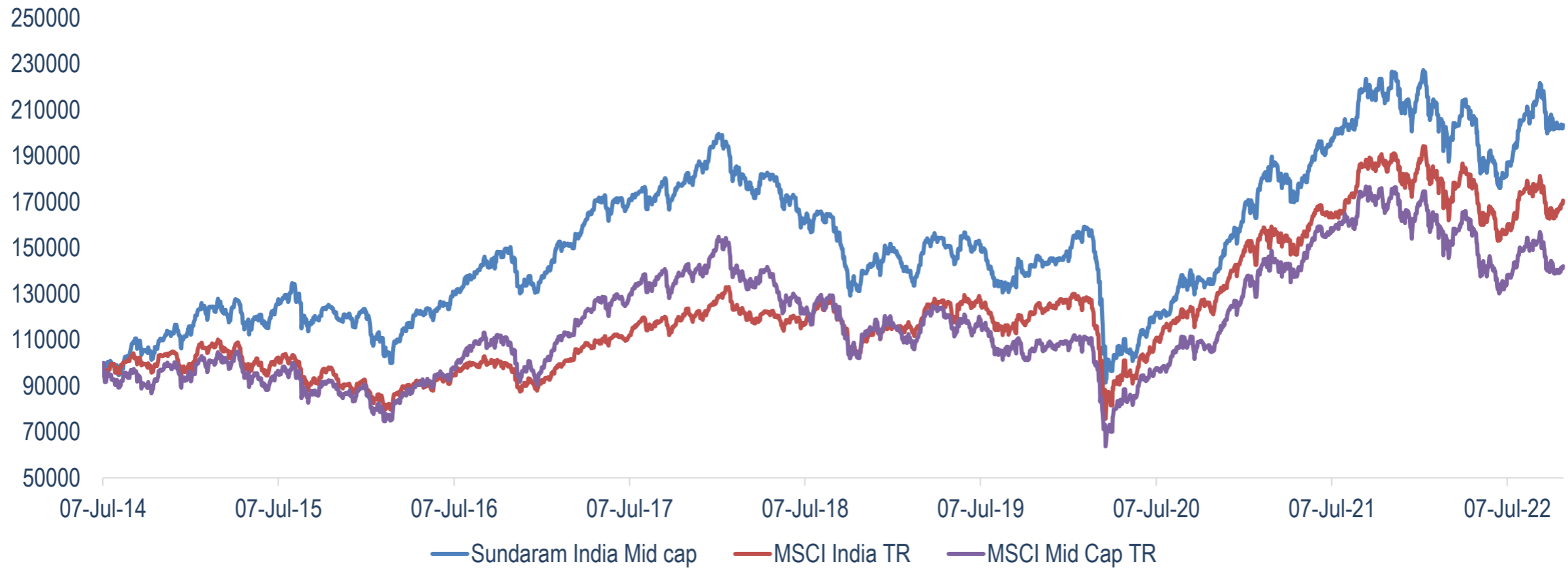
# Sundaram India Midcap Fund – Highlights

- **Positioning:** Sundaram India Midcap Fund is an open end, daily dealing, Singapore domiciled, US dollar denominated, pure India focused mid and small cap equity Fund.
  - Sundaram has a 20+ year track record in managing this strategy.
- **Approach:** The objective of the Fund is to 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 at reasonable valuations.



# Sundaram India Midcap Fund – Value of US\$100,000 invested at launch

<b>Sundaram India Midcap – USD</b> 203,470	<b>MSCI India TR– USD 170,663</b>	<b>MSCI Mid Cap TR– USD</b> 142,094
---	-----------------------------------	--



Source: Bloomberg Analysis: In house as of October 31, 2022

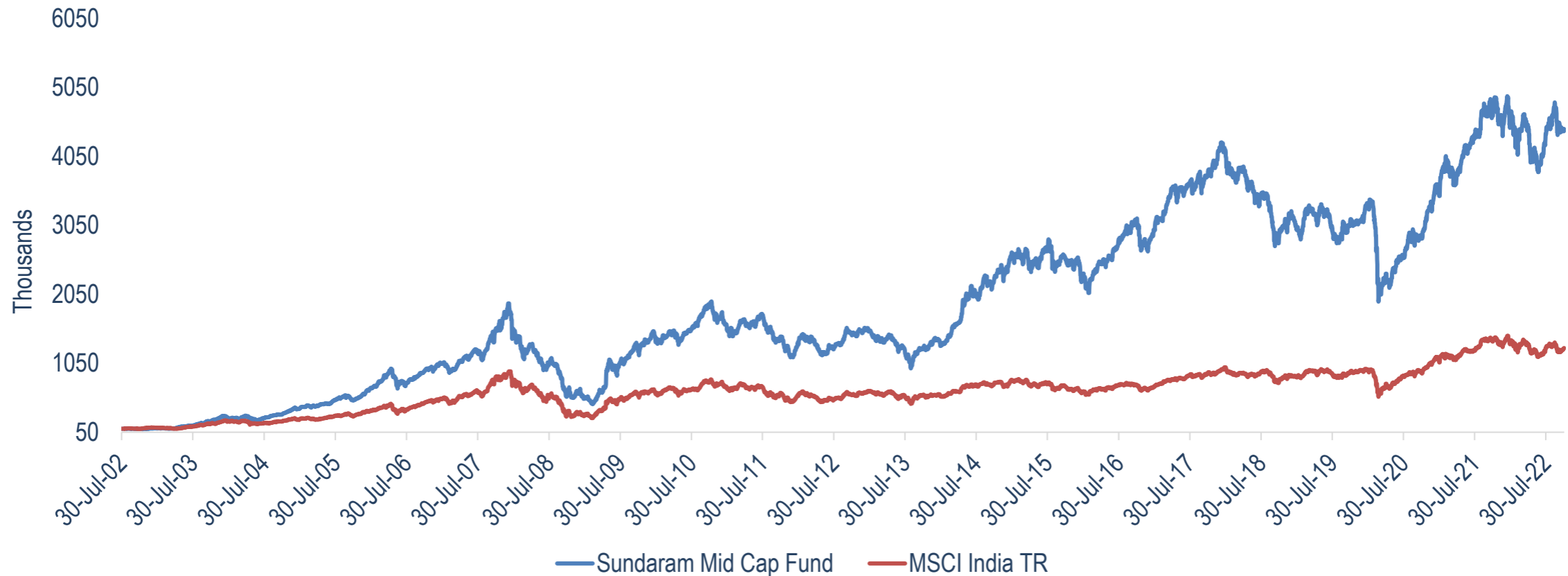
Performance is of the Institutional unit class inclusive of dividends paid out. Past performance may or may not be sustained in future



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

Sundaram Midcap Fund – USD  
4,445,677

MSCI India TR– USD 1,271,623



Source: Bloomberg Analysis: In house as of October 31, 2022

Performance is of the Regular Growth inclusive of dividends paid out. Past performance may or may not be sustained in future



**SUNDARAM ASSET MANAGEMENT**  
Singapore

# Sundaram India Midcap Fund – Peer Group Comparison

	2015	2016	2017	2018	2019	2020	2021	YTD 2022	1 Year to end Oct. 2022	3 Years to end Oct 2022
Sundaram India Midcap Fund	7.0%	8.7%	44.6%	-23.0%	-3.70%	9.5%	33.6%	-6.5%	-5.6%	11.2%
Morning Star category average	-3.0%	-0.1%	41.1%	-12.8%	4.9%	12.7%	26.2%	-11.0%	-10.8%	8.4%
<b>Outperformance</b>	<b>+10.0%</b>	<b>+8.8%</b>	<b>+3.5%</b>	<b>-10.8%</b>	<b>-8.6%</b>	<b>-3.2%</b>	<b>+7.4%</b>	<b>+4.5%</b>	<b>+5.2%</b>	<b>+2.8%</b>
Number of Funds in MS Category	436	479	513	530	557	460	478	498	495	433
Peer Group Percentile	1	17	21	95	90	56	24	6	5	17

Source: Morning Star Direct

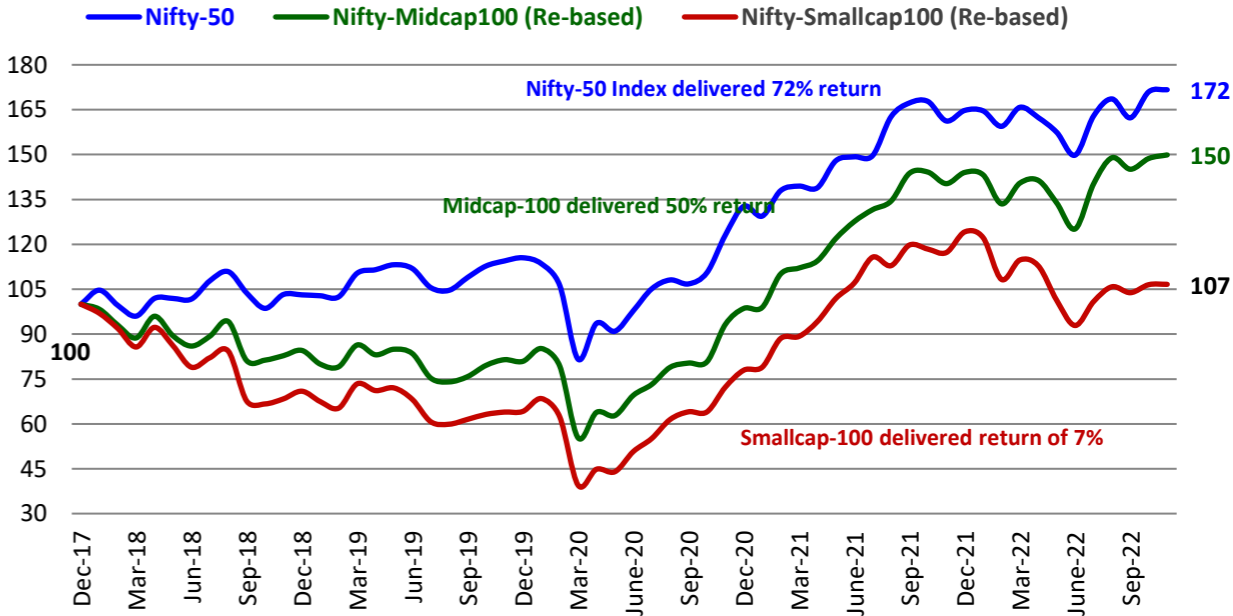
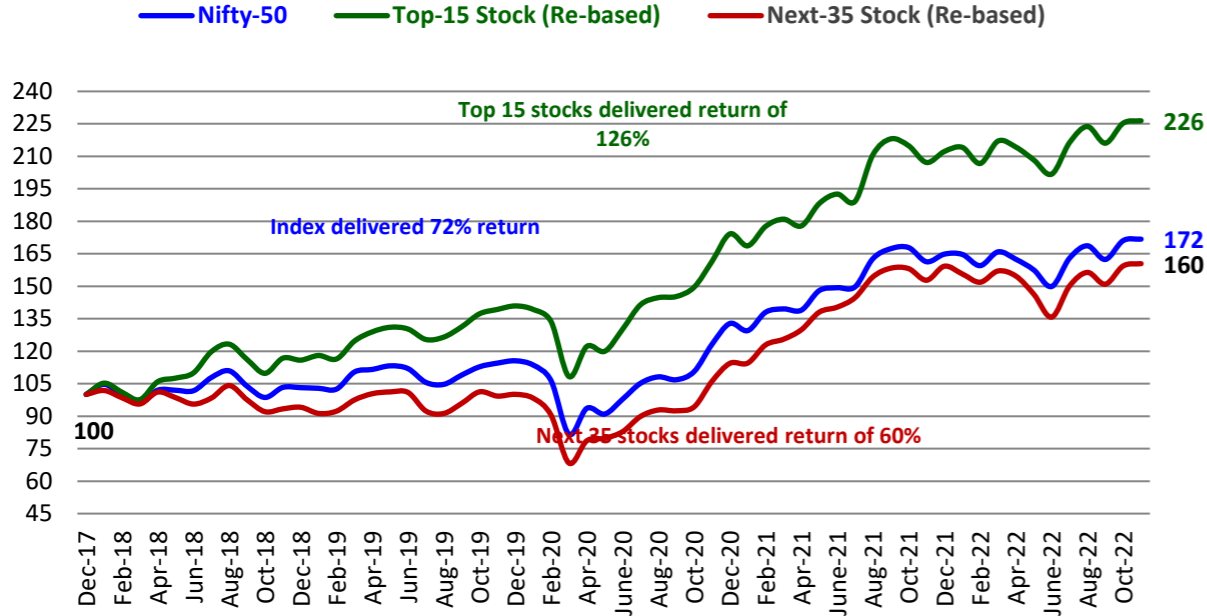
Calendar and YTD returns in USD and as of October 31, 2022 and is of the Classic Class & includes dividends paid out



# Mid & Small Cap performance

Mid and Small caps have generally been outperforming Large caps since October 2019

However, since 2018 they are still underperforming the Large caps



Source: Bloomberg , Data as of November 04, 2022



# Key reason for the start of the Mid & Small Cap underperformance – Relative valuations

Relative valuations of Mid & Small Caps are reasonable

Index	Premium/Disc. over Nifty	
	Dec-17	Curr
NSE Mid-cap	34.8	7.9
BSE Small-cap	11.7	-7.8

Source: Bloomberg, Sundaram Asset Management as of October 31, 2022

## Sundaram India Midcap Fund – Key Figures

Key Figures	Fund
Portfolio average market cap (USD)	8.9 billion
Market Cap of the 50 <sup>th</sup> largest listed stock (USD)	11.9 billion
Maximum market cap in the portfolio (USD)	100.6 billion
Minimum market cap in the portfolio (USD)	983 million

Data Source: Bloomberg Analysis: In house

As of October 31, 2022. Past performance may or may not be sustained in future

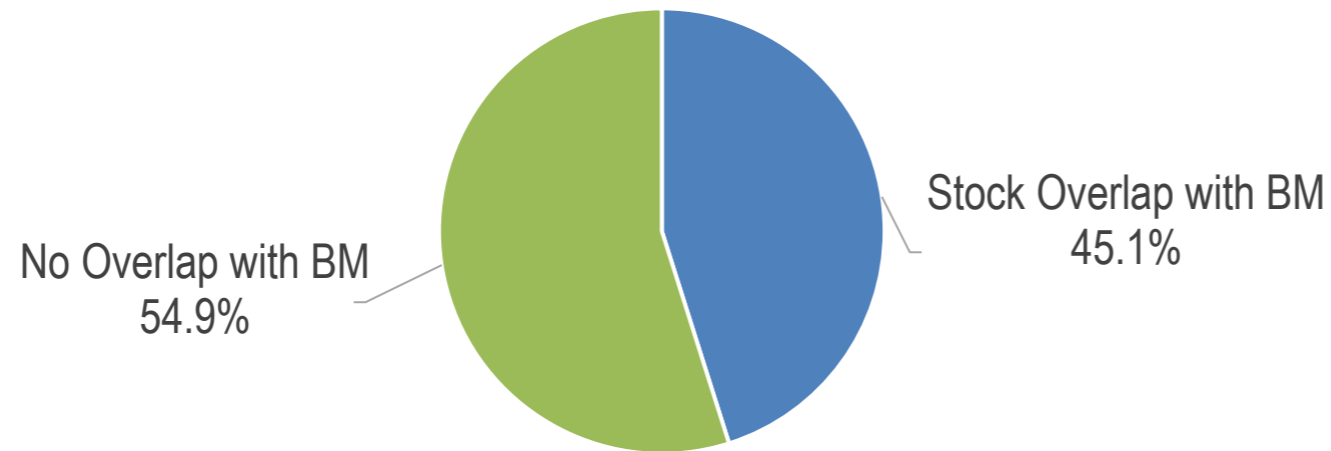


## Stock selection: 5S approach

Focus on growth ideas with structural growth drivers

Stay with earnings compounders over deep cyclicals

Preference to leaders and disruptors with superior growth and financial health



Clear Bottom-up approach to portfolio construction - Just 45.1% stock overlap with the Benchmark

Source: In-house calculations as on October 31, 2022

## Sector - Agnostic positioning: Broader recovery at play

Lowering portfolio volatility - Diversified portfolio with moderate sector bets and conscious increase in sector overlap

## Change in Asset Allocation profile

Portfolio is being positioned with lesser exposure to small caps and increased exposure in larger mid caps

Portfolio positioning across market cap	As of Dec. 2020	As of October 2022
More than \$2 Billion	71.30%	89.47%
\$1 Billion to \$2 Billion	17.80%	6.42%
Less than \$1 Billion	10.50%	0.35%
Cash	0.40%	3.76%



# Sundaram India Midcap Fund - Portfolio Positioning

## Top Holdings

Federal Bank

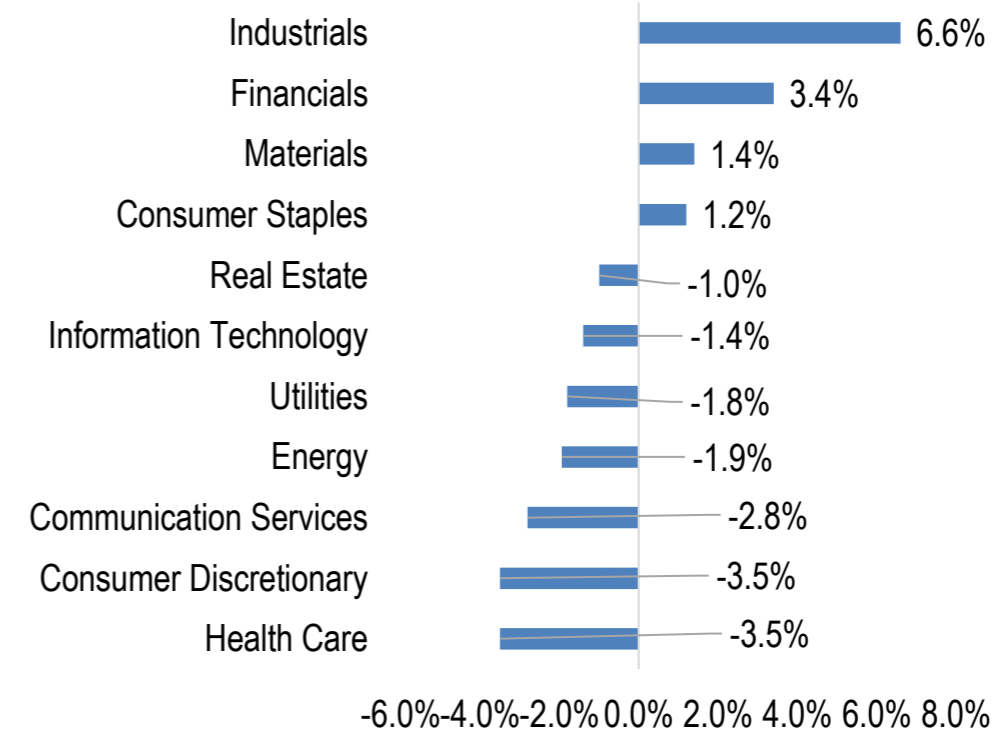
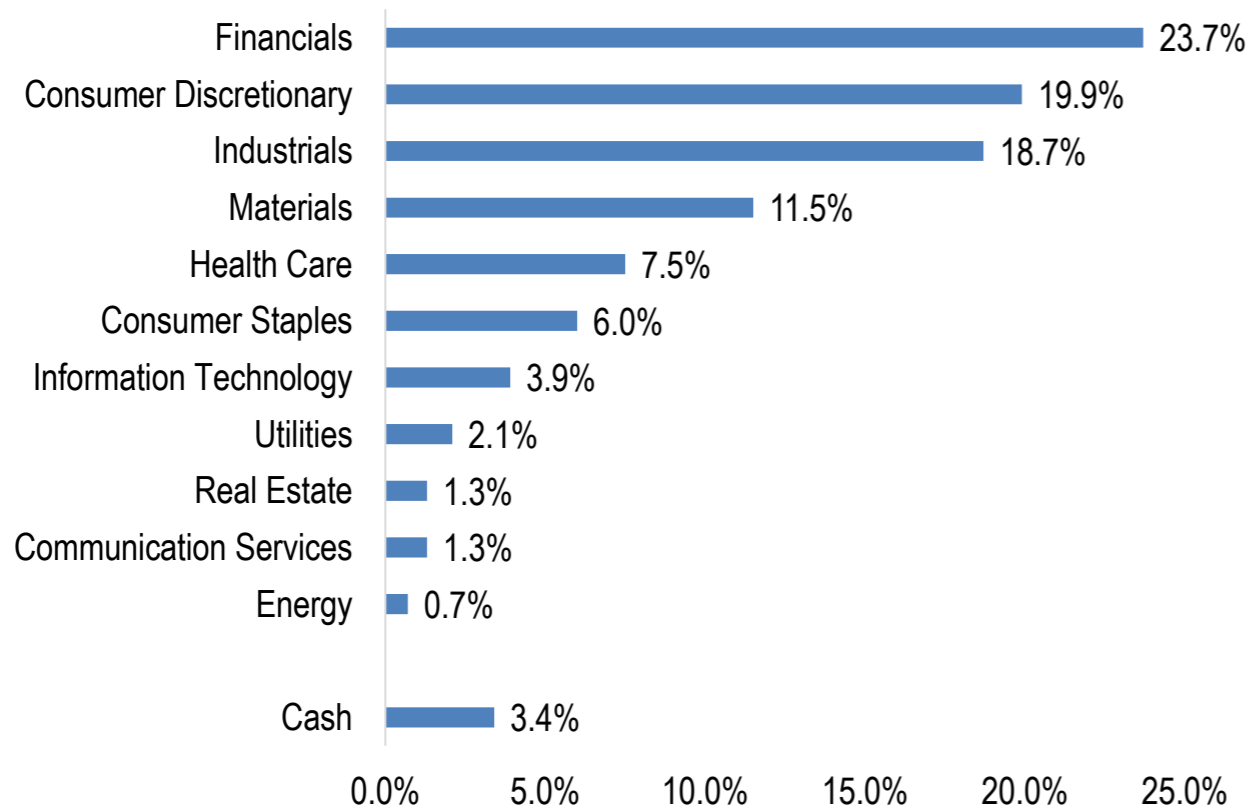
Schaeffler India

Axis Bank

Grindwell Norton

Trent Ltd

The Fund held 64 stocks as at end October 2022



Data in % & USD & as of October 31, 2022. Past Performance may or may not be sustained in future. Source: Bloomberg and in house analysis



## Sector changes – Last one year

- Reduced weighting in Information Technology and Consumer Discretionary by going from overweight to underweight
- Reduced overweight in Consumer Staples and Materials
- Increased underweight in Healthcare
- Increased overweight in Financials and Industrials
- Reduced underweight in Real Estate, Communication Services and Utilities

Stock Changes – Last 6 months	
Entrants	Exits
Hatsun Agro Products Ltd	
APL Apollo Tubes Ltd	Honeywell Automation India Ltd
United Breweries Ltd	Quess Ltd
Sona Precision Works Ltd	Natco Pharma Ltd
State Bank of India	Tata Power Ltd
Persistent Systems Ltd	Tata Consumer Products Ltd
Anupam Rasayan India Ltd	ICICI Securities Ltd
Shriram City Union Finance Ltd	

# Sundaram India Midcap Fund – Top Ten Holdings

Security	Market Cap USD Bn	1 year returns in INR October 2022	3 Years Absolute Returns in INR to end October 2022
<b>Nifty Midcap 100 TR Index (Reference Index)</b>		<b>4.3%</b>	<b>92.5%</b>
Schaeffler India Ltd	5.2	86%	220%
Grindwell Norton Ltd	2.8	30%	250%
Varun Beverages Ltd	8.2	85%	281%
Federal Bank Ltd	3.4	35%	57%
SRF Ltd	9.2	21%	342%
Page Industries Ltd	6.7	32%	93%
Navin Fluorine International Ltd	2.7	36%	407%
Trent Ltd	6.6	53%	182%
Axis Bank Ltd	33.6	22%	23%
Bharat Electronics Ltd	9.4	55%	171%

Source: Bloomberg & Sundaram Asset Management. Data as of October 31, 2022.



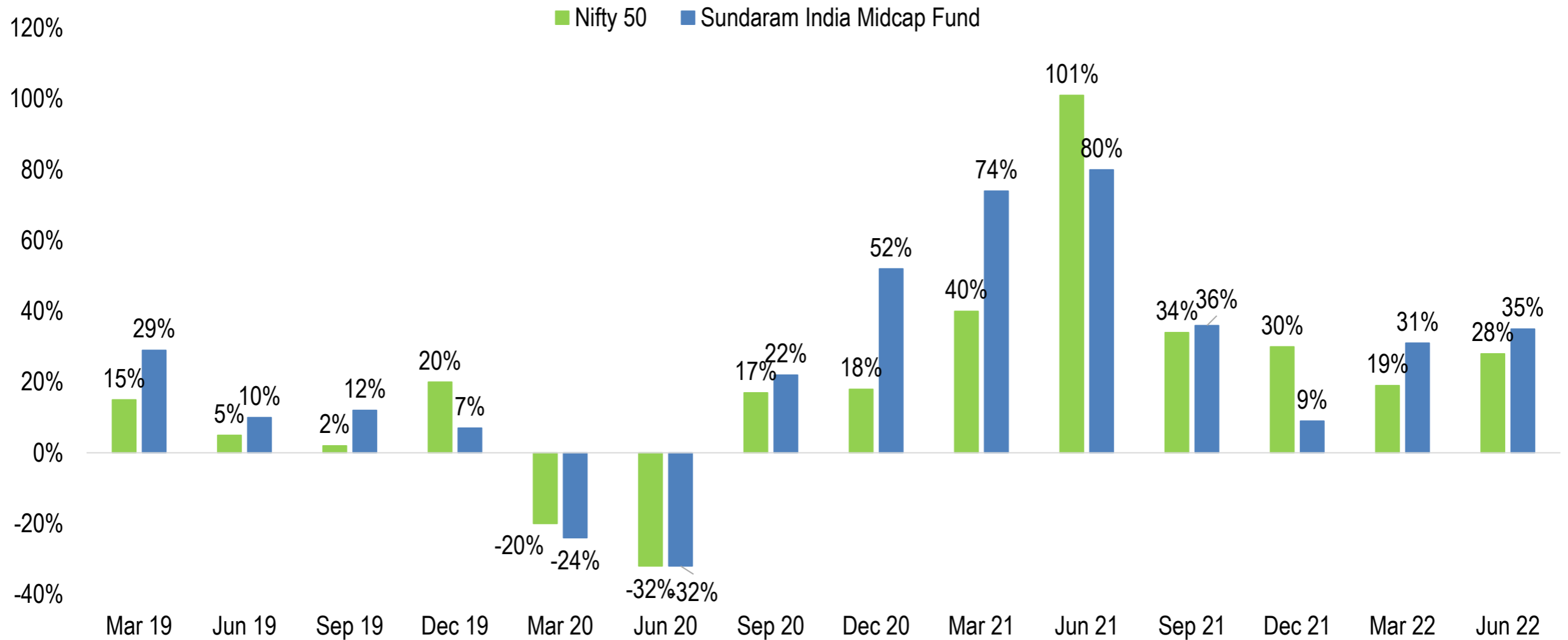
## Top overweights and underweights

Top Overweights
Schaeffler India
Axis Bank
Grindwell Norton Ltd
SRF Ltd.
Bharat Electronics

Top Underweights
Indian Hotels Co Ltd
Tata Elxsi Ltd
Max Healthcare Institute Ltd
Yes Bank Ltd
Canara Bank

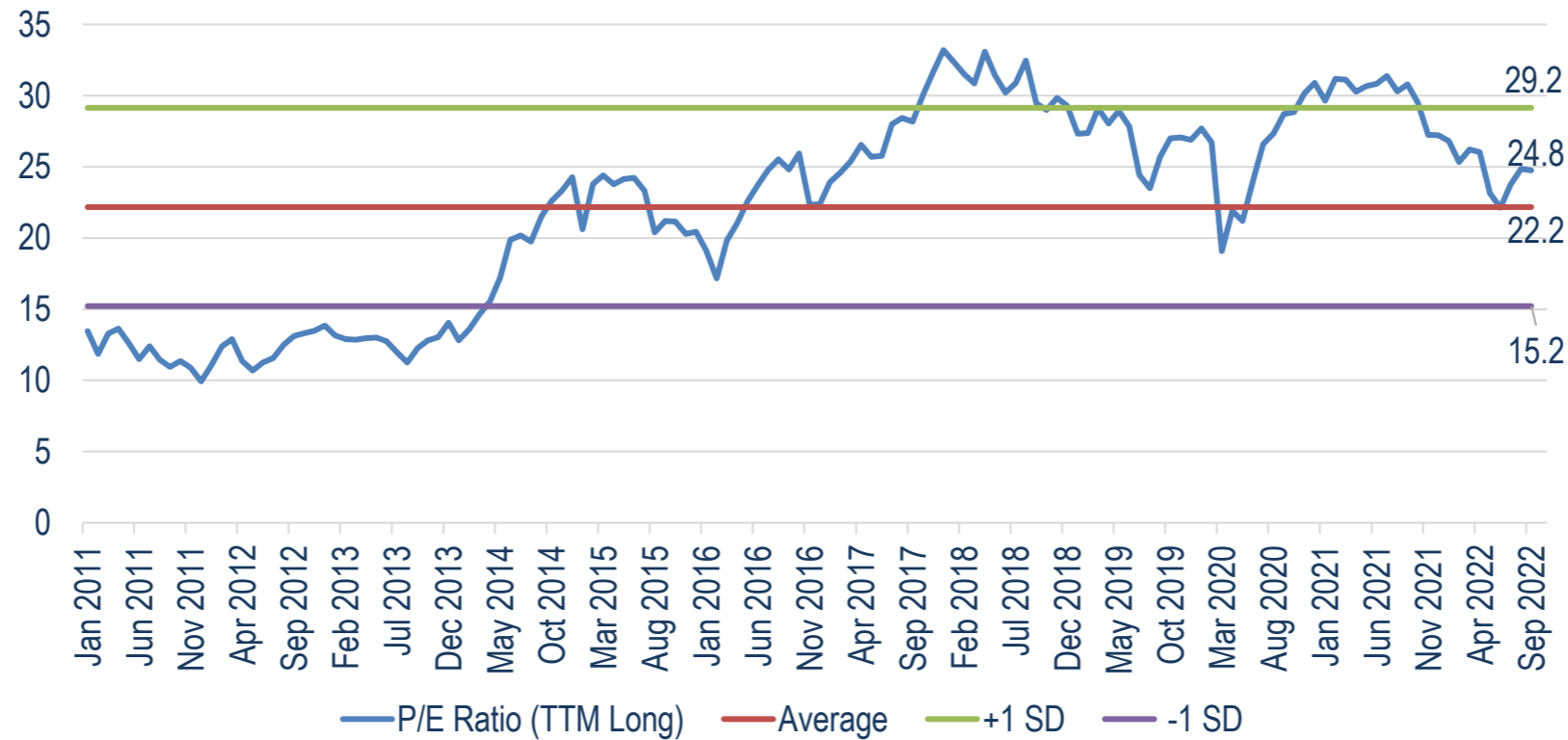
Data as of October 31, 2022

# Earnings Growth - Sundaram India Midcap Fund V/s Nifty 50



Source: Bloomberg & MOFSL & Ace Equity & In house Computation

# Trailing Historical P/E of Fund Portfolio



Data Source: Morningstar Direct

Portfolio of India-domiciled Sundaram Midcap Fund, as of 30 September 2022



# Sundaram India Mid Cap Fund

## - Peer Valuation Comparison

	Sundaram India Mid Cap Fund	Category Average
P/E (x)	22.3	18.0
P/B (x)	2.7	3.6
Sales Growth (%)	15.7	6.7
Long-term Earnings (%)	19.5	14.0

Data Source: Morningstar Direct As of September 30, 2022

Category: India Equity funds investing principally in Indian companies. These funds invest at least 75% of total assets in equities; and invest at least 75% of equity assets in Indian equities.

Price/projected earnings for a stock is the ratio of the company's most recent month-end share price to the company's estimated earnings per share (EPS) for the current fiscal year. If a third-party estimate for the current year EPS is not available, Morningstar will calculate an internal estimate based on the most recently reported EPS and average historical earnings growth rates. Price/projected earnings is one of the five value factors used to calculate the Morningstar Style Box. For portfolios, this data point is calculated by taking an asset-weighted average of the earnings yields (E/P) of all the stocks in the portfolio and then taking the reciprocal of the result.

The Long term earnings indicate the estimated earnings growth over the next 5 years.

# Sundaram India Midcap Fund - Ratios and Valuations

Parameter	Fund
Alpha	-1.1
Correlation	0.96
Tracking Error	6.2
Information Ratio	-0.4
Turnover (%)	23.3

Parameter	Fund	Nifty Midcap 100 Index-TR
Standard Deviation	19.4	21.2
Beta	0.9	-
Sharpe Ratio	0.4	0.4
Sortino Ratio	0.4	0.5

*Risk-Return Metrics are based on month end NAVs since launch and have been annualized. Annualized Turnover in percentage as of December 31, 2021.*

*Source: Bloomberg & in house analysis. Risk Ratios as of October 31, 2022*



## Dividend History of Sundaram India Midcap Fund

Year	Distribution
2020	USD 5 cents per unit
2019	USD 5 cents per unit
2018	USD 5 cents per unit
2017	USD 11 cents per unit
2016	USD 8 cents per unit
2015	USD 10 cents per unit

# Climate Risk Metrics

## Carbon Footprint

### Financed Emissions for Corporates

Allocation Base: **EVIC**

<i>tons CO2e/\$M invested</i>	Portfolio	Coverage	Reference Benchmark	Coverage	Active
Scope 1 and 2	<b>104.8</b>	96.9%	226.9	91.2%	<b>-53.8%</b>
Scope 3 Total	<b>327.8</b>	96.9%	614.9	91.2%	<b>-46.7%</b>
<i>Data Quality</i>					
Reported Emissions	<b>19.8%</b>		27.3%		<b>-27.5%</b>
Estimated Emissions	<b>77.0%</b>		64.9%		<b>18.8%</b>

### Weighted Average Carbon Intensity

<i>Corporate Constituents tons CO2e/\$M revenue</i>	Portfolio	Coverage	Reference Benchmark	Coverage	Active
Scope 1 and 2	<b>215.9</b>	96.9%	580.5	91.2%	<b>-62.8%</b>
Scope 3 Total	<b>699.8</b>	96.9%	1,406.9	91.2%	<b>-50.3%</b>



## Climate Scenario Analysis

SELECTED SCENARIO: 1.5°C AIM CGE, Aggressive physical risk

MSCI Climate Value at Risk	Portfolio	Reference Benchmark	Active
Aggregate Climate Value at Risk (VaR)	<b>-25.7%</b>	-33.8%	<b>8.1%</b>
Policy Climate VaR	<b>-10.3%</b>	-17.0%	<b>6.7%</b>
Technology Opportunities Climate VaR	<b>0.8%</b>	2.9%	<b>-2.1%</b>
Physical Risk Climate VaR	<b>-16.3%</b>	-19.8%	<b>3.5%</b>
Climate Scenario Coverage	96.9%	91.9%	5.0%
MSCI Implied Temperature Rise	<b>3.8°</b>	5.3°	<b>-1.5°</b>
ITR Coverage	96.9%	91.2%	5.7%

Source: MSCI Data as of 30 June 2022

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)

# Thank You



# Contacts

## **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**

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

### **Address**

Sundaram Asset Management Singapore Pte. Ltd.  
50 Armenian Street, #02-02, Wilmer Place  
Singapore 179938

Sundaram Asset Management Company Limited  
Sundaram Towers, 46 Whites Road, Chennai, India  
[www.sundarammutual.com](http://www.sundarammutual.com)

## **Edmund Teo**

Head-Business Development  
Sundaram Asset Management Singapore Pte Ltd  
D: +65 65577085  
E: [edmundt@sundarammutual.sg](mailto:edmundt@sundarammutual.sg)

## **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)



**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 Sundaram Asset Management.

**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.

**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, Tel +41 44 500 31 08, Fax +41 44 500 31 06, [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).