



Service

Discipline

Prudence

Fair play

Honesty

Sundaram Global Brand Fund

September 2024



Integrity

Humility

Openness

Relationships

AN OPPORTUNITY FOR INVESTORS TO OWN A HIGH QUALITY PORTFOLIO OF INTERNATIONAL EQUITIES

Sundaram Global Brand Fund – Highlights

Morningstar Direct Rating



Morningstar ESG Sustainability Rating



Unique portfolio investing in listed equities of 30 leading global brands



- Global household names
- Leaders in their sphere of business
- Business spanning the globe and categories
- Ability to sustain pricing power across economic cycles
- Generate durable cash flows
- Beneficiary of the global aspiration to buy more branded goods as disposable income rises



Fund portfolio available at reasonable valuations

- 2025 weighted estimated PER of 21.8x
- 17.3% average annual earnings growth over 2024 and 2025
- 33.6% 2025 estimated average RoE
- 2.1% 2025 estimated dividend yield



Strong performance

- The fund has generated an annualized return of 9.4% in USD terms since inception*

*Fund inception date: July 01, 2015. Performance details provided are net of fees for the Cornerstone unit class and include dividends paid out. Performance greater than one year on a compounded annualized basis. Past performance may or may not be sustained in the future.
Performance as of August 31, 2024.

Sundaram Global Brand Fund- Peer Comparison

	1 year	3 years	5 years	SI
Sundaram Global Brand Fund	14.6%	2.9%	10.1%	8.6%
Number of Funds in MS Category	6093	4747	3603	2191
Peer Group Percentile	88	62	52	33

Source: Morning Star Direct. Returns in USD & includes dividends paid out * YTD as of end August 2024.

Morningstar Direct Rating: ★ ★ ★

Dividend History of Sundaram Global Brand Fund

Year	Distribution
2024	USD 4.5 cents per unit
2023	USD 5.3 cents per unit
2022	USD 3 cents per unit
2021	USD 15 cents per unit
2020	USD 6 cents per unit
2019	USD 20 cents per unit
2018	USD 17 cents per unit
2017	USD 6 cents per unit
2016	USD 3 cents per unit

Portfolio construction overview



Extensive back testing of data from **2002** has led to the development of a **proprietary portfolio allocation and re-balancing methodology**



A list of **50 leading brands** will be created using publicly available annual rankings of leading brand rating agencies such as **Interbrand, BrandZ, Forbes**

Methodologies Adopted

Agencies	Financial Analysis	Brand Strength Analysis	Brand Loyalty Analysis
Interbrand	✓	✓	✓
BrandZ	✓	✓	✓
Forbes	✓	At industry level	✗

Brand rating process



Financial analysis

- Measure economic profits
- Forecast future values over 5 years and arrive at terminal value
- Capital charge – Reference to Industry weighted average cost of capital

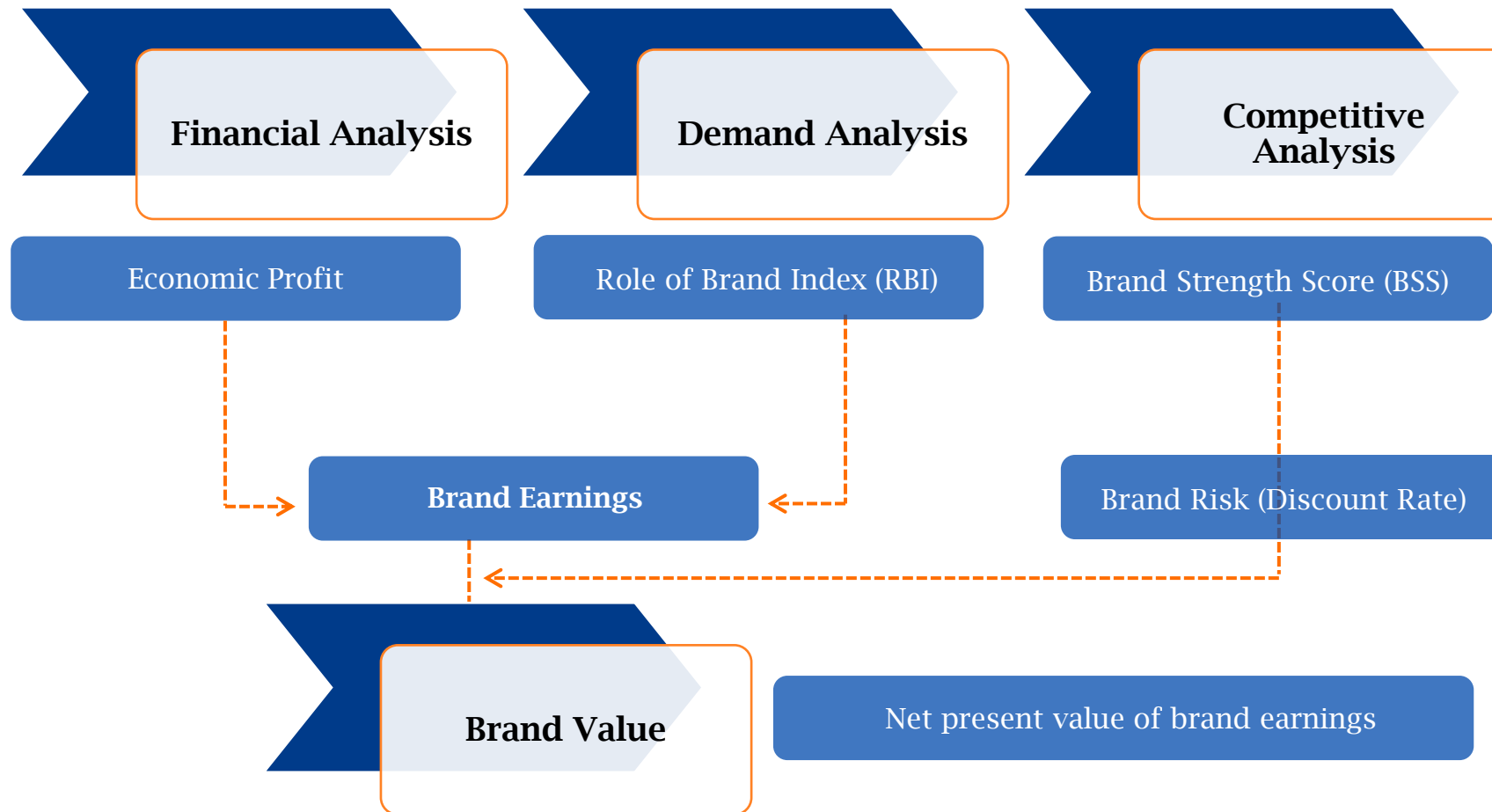
Demand analysis

- Role of Brand Index (RBI)
- Determined by:
 - Primary research
 - Review of historical roles of brand for companies in that industry
 - Expert panel assessment

Competitive analysis

- Brand strength Score (measures the ability of the brand to create loyalty)
- Score from 1-100
- Evaluation across 10 key factors
- Performance on these factors is judged relative to other brands in the industry
- Proprietary formula used to connect the Brand Strength Score to a brand-specific discount rate
- Rate is used to discount brand earnings back to a present value

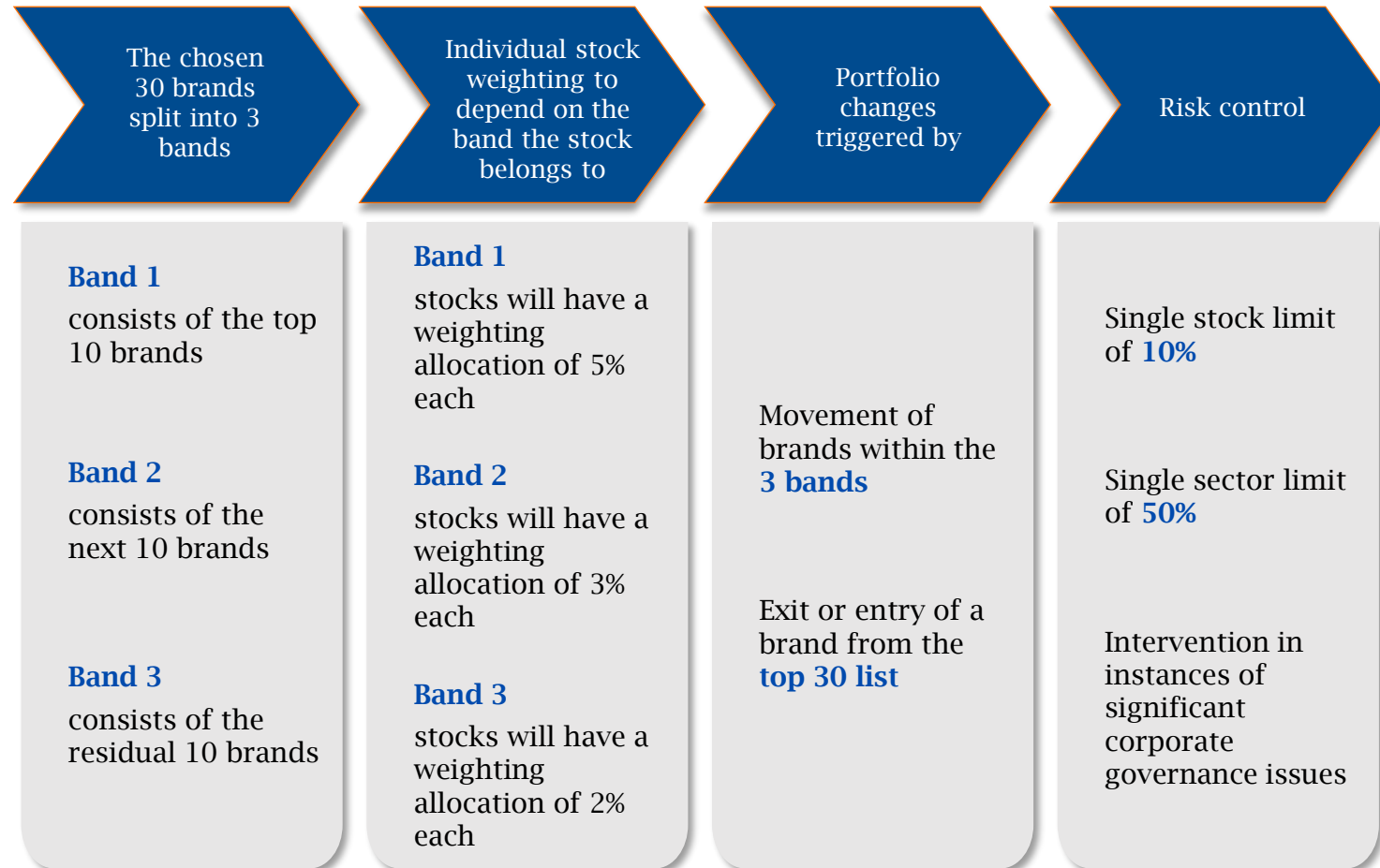
An example of brand valuation methodology



Investment process

Portfolio will consist of listed equities of **30 leading global brands**

Preference for brands with geographically diversified revenues to reduce portfolio risk



Why are brands important?

Great brands develop a competitive moat through brand loyalty which enable them to:

Span categories

Span borders

Sustain pricing power across
economic cycles

Result in durable cash flows and
strong balance sheet

Long queues at Apple's stores during new product launch



Why are brands important from an investment standpoint?



Strong
brand

Competitive
advantage

Superior
earnings

Premium
sustainable
valuation

Why are brands important?

Strong competitive positioning leads to exceptional returns for stakeholders

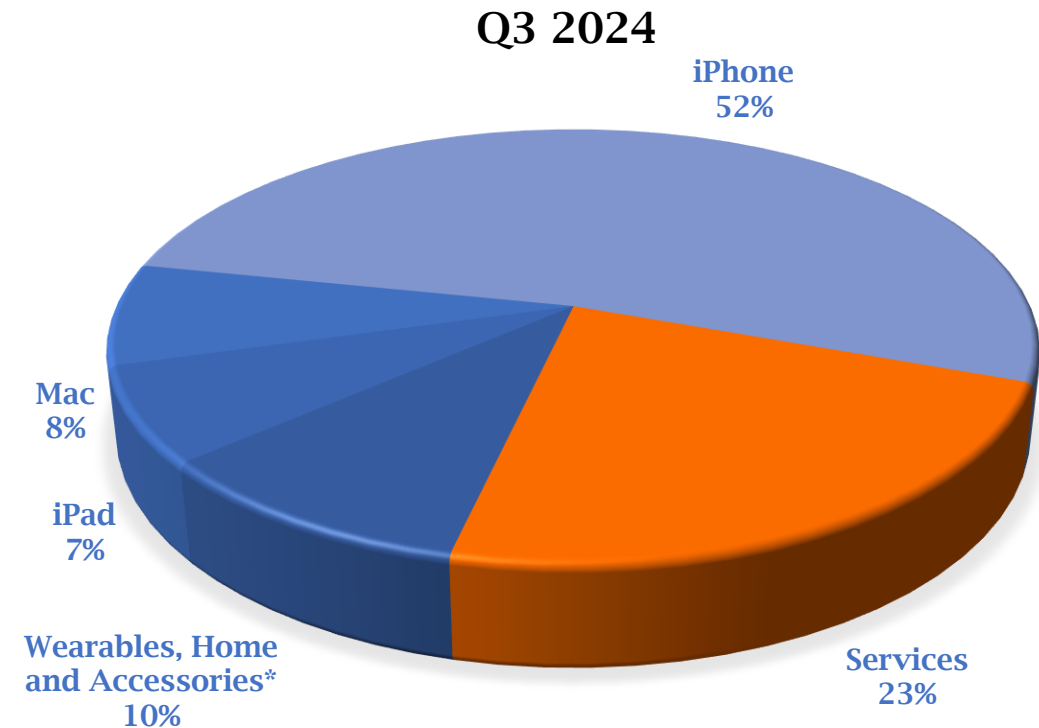
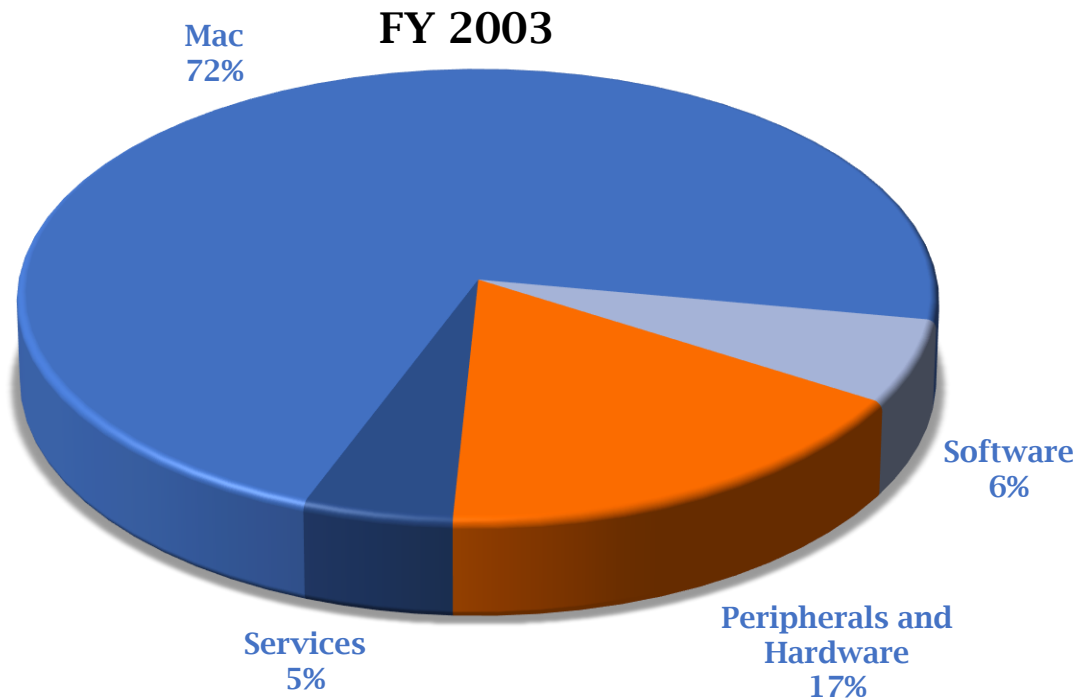
Name	Sales (USD Bn)		Growth	Net Income (USD Bn)		Growth	Market Cap (USD Bn)		Growth	RoE 2023
	2019	2024		2019	2024		Aug-19	Aug-24		
Apple Inc	260.2	385.6	48%	55.3	102.0	63%	943.3	3481.7	254%	172.0
Alphabet Inc - Class A	161.9	328.3	103%	34.3	87.7	140%	824.6	2021.6	151%	27.4
Microsoft Corp	125.8	245.1	95%	39.2	88.1	337%	1052.6	3100.6	199%	38.8
LVMH Moet Hennessy	60.1	92.6	54%	8.0	16.4	119%	201.3	372.7	67%	26.1
Hermes International	7.7	15.4	100%				72.0	253.0	209%	31.2
MSCI ACWI Index									62%	

Sales and Net Income data as of CY 2019 and all above CY 2024 data is based on last 12 Months ending June 2024.

Market Cap data as of August 31, 2019 and August 31, 2024

Source: Bloomberg and in-house analysis

Apple as an example



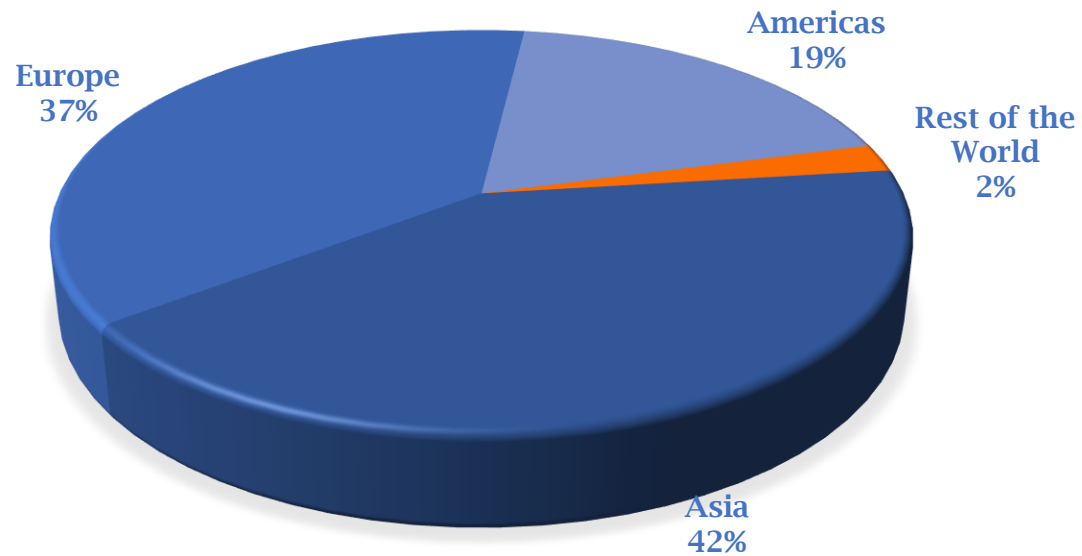
Apple started with Mac and pivoted away over the years to durable product categories which benefitted from brand loyalty towards Mac

*includes sales of AirPods, Apple TV, Apple Watch, Beats products, HomePod, iPod touch and Apple-branded and third-party accessories

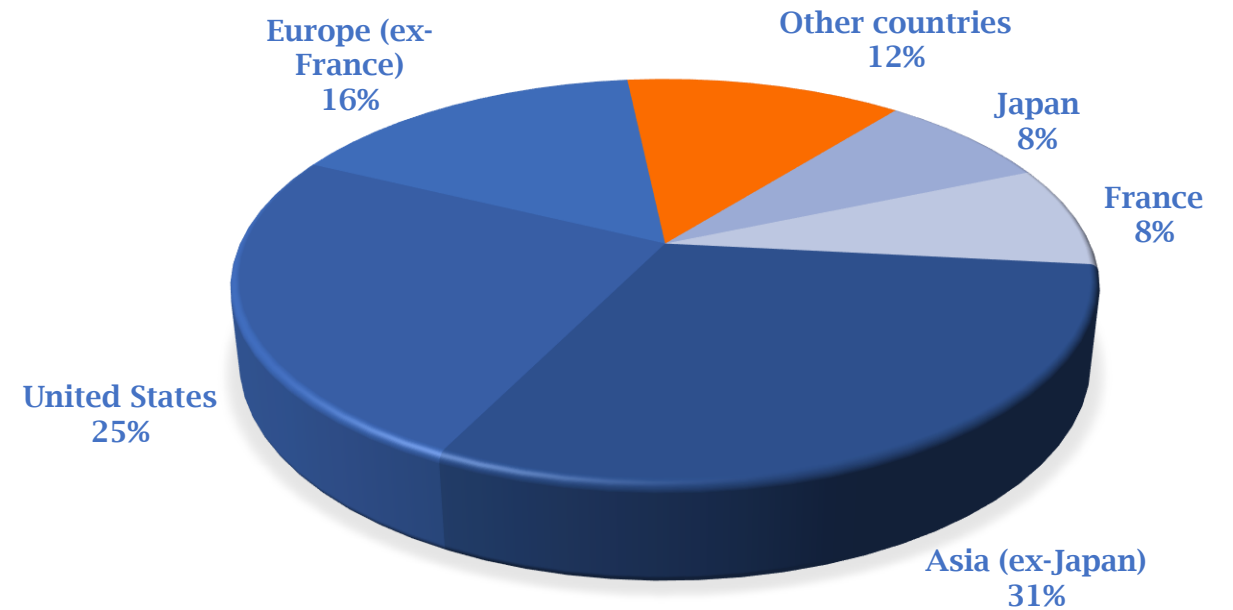
Source: Bloomberg and in-house analysis

Well diversified spread of business across geographies

BMW Revenue (Q2 2024)



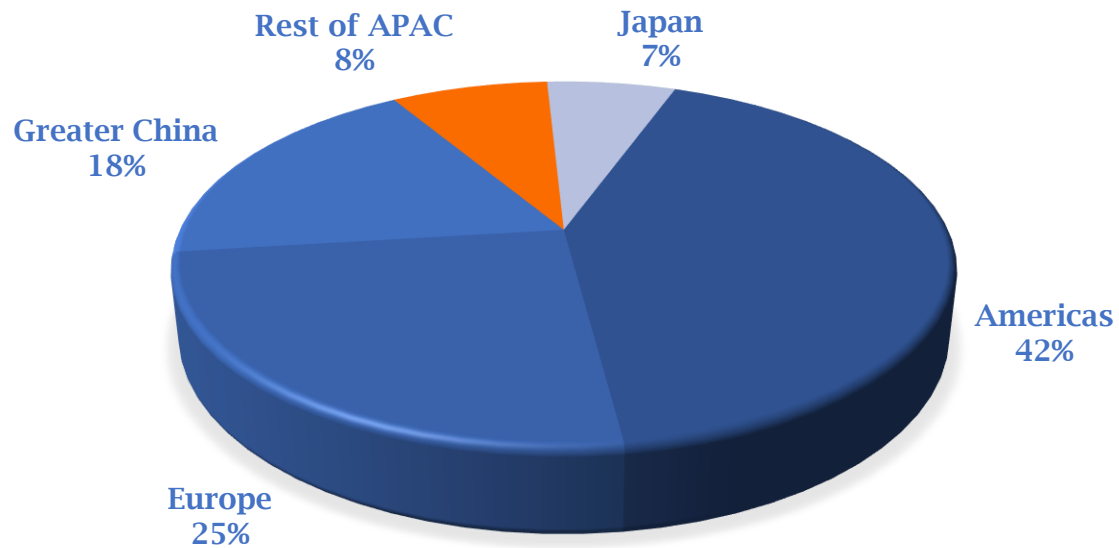
LVMH Revenue (Q2 2024)



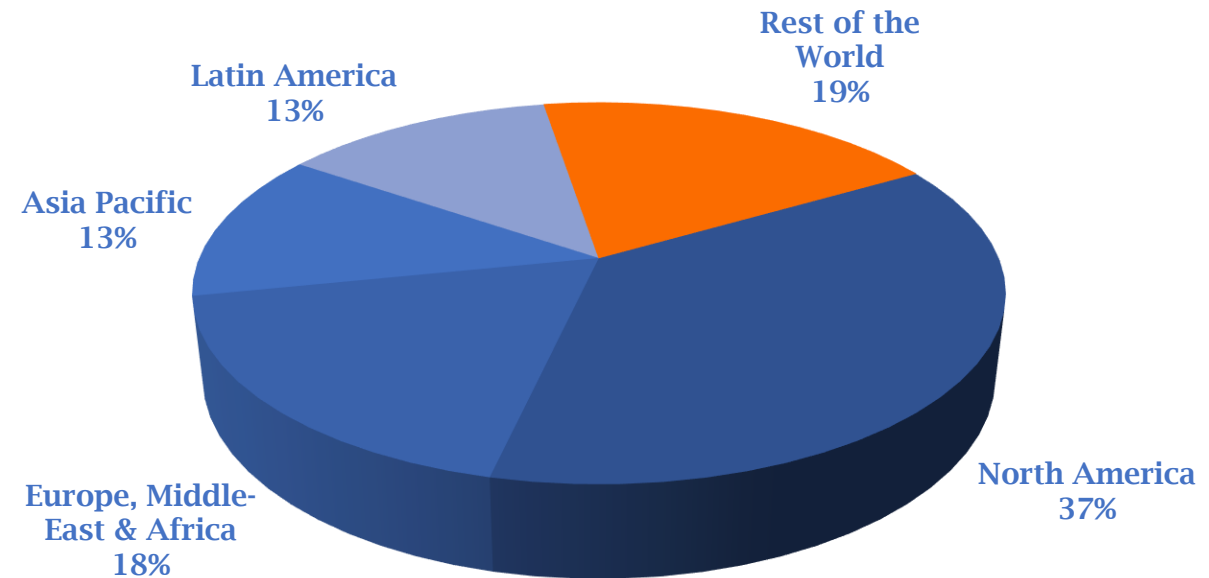
Source: Bloomberg and in-house analysis

Well diversified spread of business across geographies

Apple Revenue (Q3 2024)



Coca-Cola Revenue (Q2 2024)



Source: Bloomberg and in-house analysis

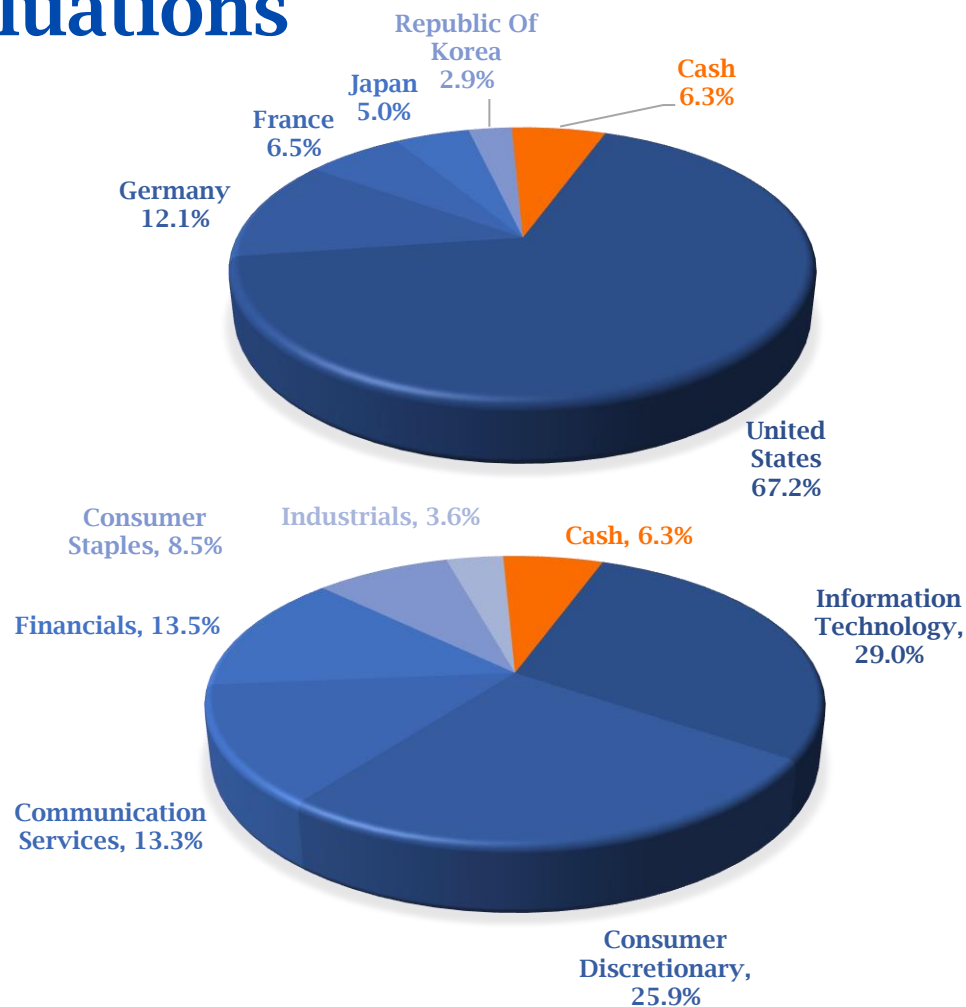
Cash-rich companies form a good portion of the portfolio

Nearly **50%** of the portfolio companies are in net cash position

Top Holdings	Net Debt/Equity (x)	Net Cash available (USD Bn)
Alphabet Inc	(24.2)	72.9
Samsung Electronics Co Ltd	(22.0)	61.1
Apple Inc*	(77.6)	51.7
Mercedes-Benz Group AG	(35.8)	35.0
General Electric Co	(115.7)	21.8

Source: Bloomberg and in-house analysis, as of quarter ending June 2024
*Data as of 29 June 2024..

Current portfolio – Well diversified & reasonable valuations



S.No	Name	Weight (%)
1	Alphabet Inc	6.2
2	Microsoft Corp	6.0
3	JPMorgan Chase & Co	5.6
4	Apple Inc	5.5
5	Amazon.com Inc	5.2
6	Coca-Cola Co	5.2
7	Meta Platforms Inc	4.3
8	International Business Machine	3.8
9	Allianz SE	3.7
10	LVMH Moet Hennessy Louis Vuitton	3.4
TOTAL		48.9

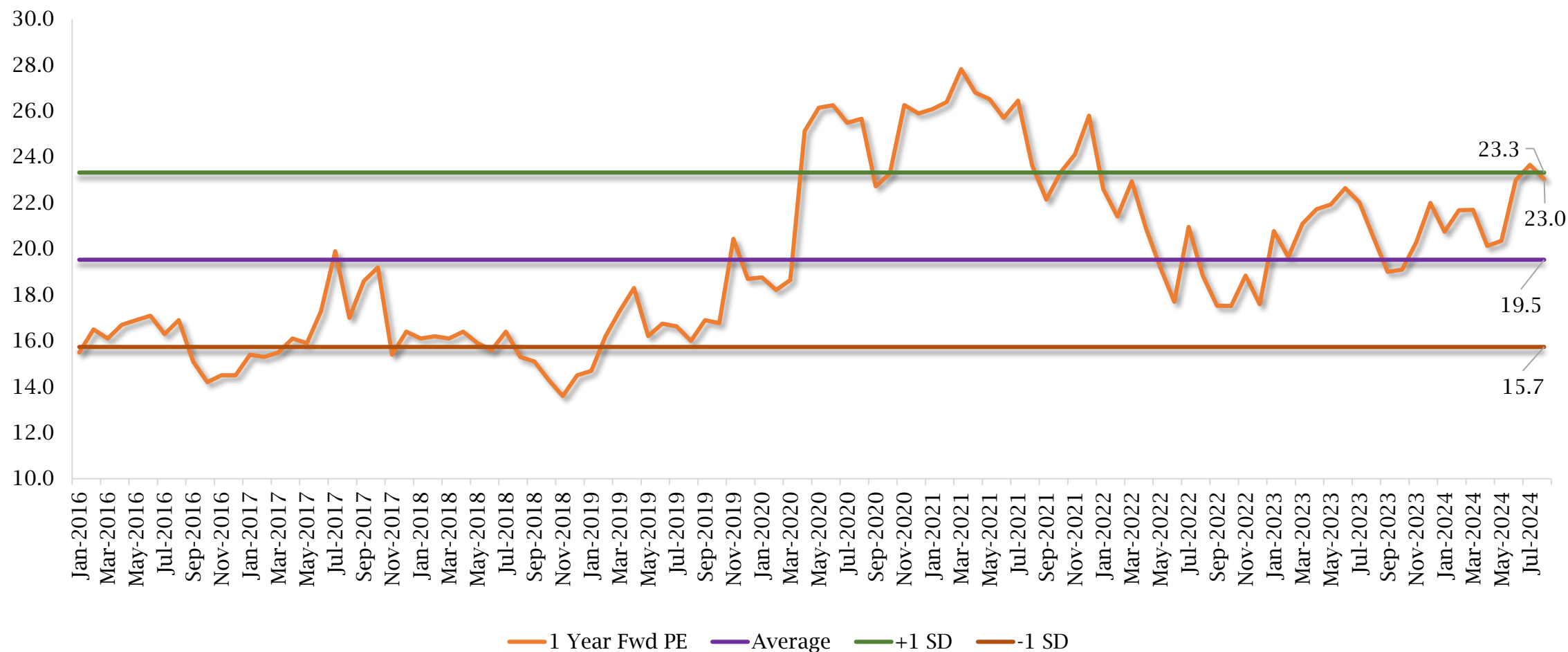
As of August 31, 2024.

Top 10 holdings – Valuation metrics

Top Holdings	P/E (x)		Earnings Growth (%)		ROE (%)		Dividend Yield (%)	
	FY 2024	FY 2025	FY 2024	FY 2025	FY 2024	FY 2025	FY 2024	FY 2025
Alphabet Inc	21.3	18.6	32.1	14.2	30.1	28.5	0.3	0.4
Microsoft Corp	35.4	31.6	20.3	12.3	31.9	29.5	0.8	0.8
JPMorgan Chase & Co	12.8	13.1	8.5	22.4	16.5	14.6	2.1	2.3
Apple Inc	34.2	30.8	9.3	10.6	156.6	160.0	0.4	0.5
Amazon.com Inc	37.8	30.7	66.8	-2.7	19.4	19.8	0.0	0.0
Coca-Cola Co	25.4	23.9	5.9	6.3	45.9	48.0	2.7	2.8
Meta Platforms Inc	24.5	21.4	43.2	14.3	31.8	30.1	0.4	0.4
International Business Machine	19.9	19.0	5.5	4.6	37.9	34.1	3.3	3.4
Allianz SE	11.0	10.2	12.7	8.6	16.8	17.1	5.3	5.8
LVMH Moet Hennessy Louis Vuitton	22.4	20.4	32.1	7.4	23.3	22.6	2.0	2.2

Source: Bloomberg and in-house analysis, as of August 31, 2024

Sundaram Global Brand Fund – Historical 1-year forward valuation of the portfolio



Source: Bloomberg and in-house analysis ; Portfolio as of end August 2024

Cash creates shareholder value – Strategic acquisitions



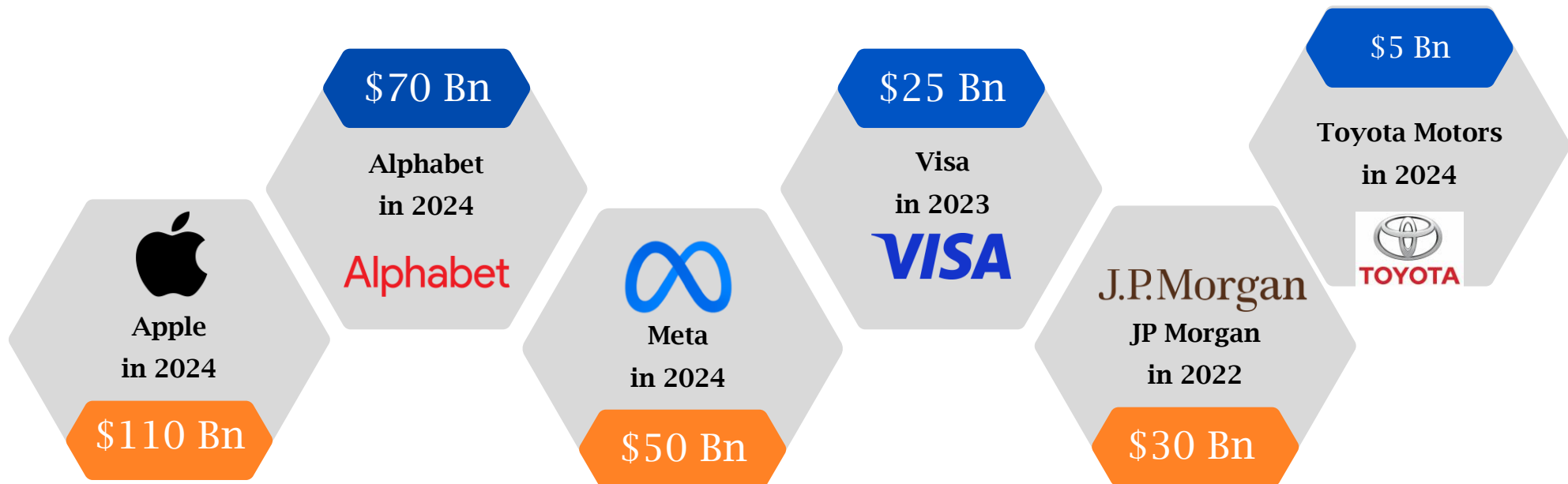
K E R I N G

CISCO

- Facebook has been on a spree of acquisitions in the last decade which includes three VR based studios - Camouflaj, Armature Studio, and Twisted Pixel Studios in 2022
- Kustomer - \$1 Bn in 2020
- WhatsApp - \$19 Bn in 2014
- Oculus VR - \$2 Bn in 2014
- Onavo - \$200 Mn in 2013
- Instagram - \$1 Bn in 2012
- Beluga - Undisclosed sum in 2011
- LVMH acquired Tiffany, the global luxury jeweler, in 2021 at \$15.8 Bn
- Microsoft has completed its largest ever acquisition of Activision Blizzard in October 2023, worth USD 69bn. This will enable the giant to be one of the Top 3 Gaming Companies by Revenue.
- \$10 billion in OpenAI-amassed >1 million users within days, sparking off a debate over the role of AI in the workplace.
- Kering has acquired a 30% stake in Valentino (an Italian luxury fashion label) for USD 1.9bn in July 2023, with an option to fully own the company by 2028.
- Similarly, it fully acquired UK-based Creed for USD 3.8bn to strategically expand into the high-end beauty product segment. This is in line with its ambition to have a separate beauty division.
- Cisco announced its biggest ever acquisition of Splunk, a cybersecurity and data analytics firm for USD 28bn in September 2023. This offers synergies for the company in cyber security and observability and delivering steady streams of annual recurring revenue.

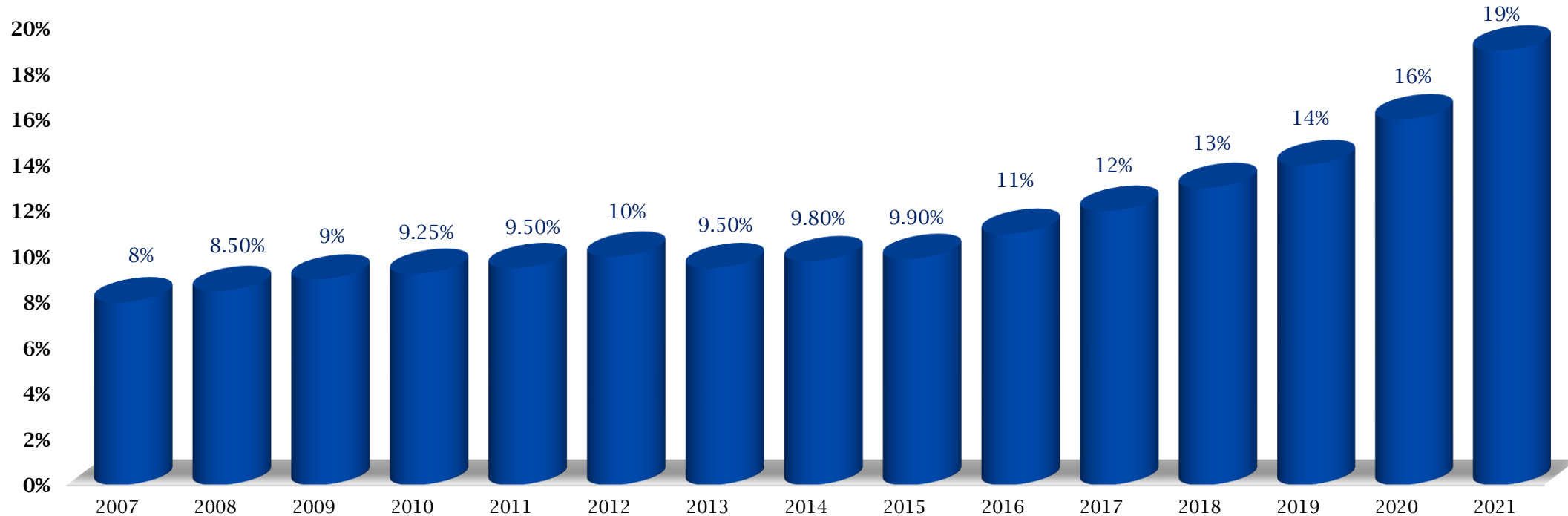
Cash creates shareholder value – Consistent share buybacks

Share Buybacks in the recent past



When the going gets tough, the tough get going

LVMH's share of the personal luxury goods market
(excluding Selective Retailing Division)



Source: Bain & Company, Morgan Stanley Research

Sundaram Global Brand Fund – Ratios and valuations

Parameter	Fund
Alpha	-0.78
Correlation	0.96
Tracking Error	4.29
Information Ratio	-0.22
Turnover (%)	7.1

Parameter	Fund	MSCI ACWI-TR
Standard Deviation	15.5	15.3
Beta	1.0	-
Sharpe Ratio	0.5	0.5
Sortino Ratio	0.7	0.7

Parameter	Fund
FY 24 P/E (x)	25.5
FY 25 P/E(x)	21.8
FY 24 EPS Growth (%)	19.7
FY 25 EPS Growth (%)	14.8
FY24 RoE (%)	33.3

Risk-Return Metrics are based on month end NAVs; since launch and have been annualized.
 Turnover ratio is for the 6-month period ended December 31, 2023 and in %. All other data as of August 31, 2024.
 Source: Bloomberg and In House Analysis.
 Past performance may not be sustained in future.

Climate Risk Metrics

Carbon footprint

Financed emission for corporates					
<i>tons CO2e/\$M invested</i>	<i>Portfolio</i>	<i>Coverage</i>	<i>MSCI ACWI</i>	<i>Coverage</i>	<i>Active</i>
Scope 1 and 2	6.5	100.0%	48.3	99.9%	-86.6%
Scope 3 total	190.1	98.5%	307.3	98.9%	-38.1%
<i>Data quality</i>					
Reported emissions	95.3%		92.1%		3.5%
Estimated emissions	4.7%		7.8%		-39.9%
Weighted average carbon intensity					
<i>Corporate constituents tons CO2e/\$M revenue</i>	<i>Portfolio</i>	<i>Coverage</i>	<i>MSCI ACWI</i>	<i>Coverage</i>	<i>Active</i>
Scope 1 and 2	18.2	100.0%	120.1	99.9%	-84.8%
Scope 3 total	501.4	98.5%	674.4	99.0%	-25.7%
<i>Sovereign constituents tons CO2e/\$M GDP nominal</i>					
GHG intensity	n/a	0.0%	n/a	0.0%	n/a

Allocation base - EVIC

Climate scenario analysis

Selected scenario: 1.5° C AIM CGE, Aggressive physical risk			
<i>MSCI climate Value at Risk</i>	<i>Portfolio</i>	<i>MSCI ACWI</i>	<i>Active</i>
Aggregate climate value at risk (VaR)	-5.1%	-16.1%	11.0%
Policy climate VaR	-6.3%	-12.8%	6.5%
Technology Opportunities climate VaR	6.6%	5.1%	1.5%
Physical risk climate VaR	-5.4%	-8.4%	3.0%
Climate scenario coverage	98.5%	98.9%	-0.5%
MSCI implied temperature rise	2.5°	3.5°	-1.0°
ITR coverage	98.5%	98.8%	-0.3%

Reference benchmark: MSCI ACWI TRI

Source: MSCI

Data as of end June 2024.

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Appendix

Sundaram Asset Management

Key milestones 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

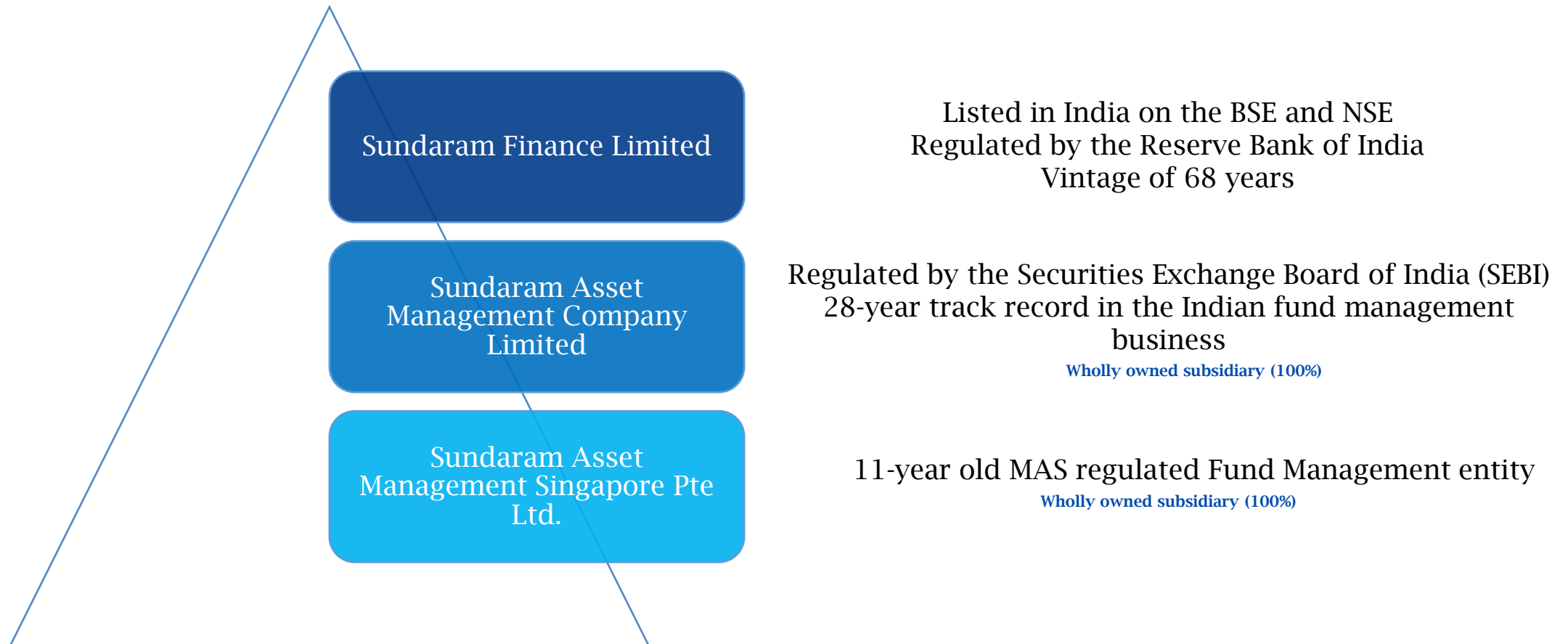


Retail Investor Base: *Over 1.9 million folios*

Manages offshore investments through its Singapore subsidiary, which has set up a unit trust investment platform in Singapore

- Headquartered in **Chennai** (India) with offices across India and in **Singapore** and **Dubai**
- **Wholly owned** by the well renowned Sundaram Finance Limited.
- **28 years of experience** in fund management and is among the pioneers in the Indian Fund Management industry with **Assets Under Management of USD 9 billion as of August 31, 2024.**
- 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 29 investment professionals** spread over Chennai, Mumbai and Singapore.

Sundaram Asset Management – Group structure









Sundaram Finance Limited – Parent

- 01 Sundaram Finance Limited, incorporated in 1954, has grown today into one of the most trusted financial services groups in India.
- 02 Evolved from the legendary TVS group (Established in 1911), a diversified conglomerate and one of the largest manufacturer and distributor of auto components
- 03 Sundaram Finance, the flagship company of the Sundaram group is driving the financial services business of the group

Sundaram Finance Subsidiaries








Key highlights:

-  **Pioneer** in the Leasing and Hire Purchase Business
-  **First NBFC** to be Listed - in 1972
-  Legacy of deep customer connect and loyalty with **80% renewal rate**
-  **Rated AAA** (for Deposits) by CRISIL and ICRA
-  Market Cap ~ **USD 6.7 billion** as on August 31, 2024.
-  Market cap has grown at CAGR of **~24% (USD)** since listing

Built significant reputation & goodwill over the decades

Sundaram Finance Group

	AUM (USD Billion)	Branches	Employees*	Customers
 SUNDARAM FINANCE[®] Enduring values. New age thinking.	5.5	713	7,381	582,231
 SUNDARAM MUTUAL — Sundaram Finance Group —	9.6	85	563	1,292,907
 SUNDARAM HOME	1.7	143	1,587	62,476
 Royal Sundaram General Insurance	1.1	158	2,551	3,106,665
 SUNDARAM FINANCE GROUP[®] Enduring values. New age thinking.	17.9	1,099	12,270	5,044,279

*Includes off-roll employees;
Data as of June 30, 2024

Sundaram AMC – Investment manager



Track record and capabilities

- One of the earliest entrants in the Industry with **28 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 22.0%** in USD terms, since its inception **22+ 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 9 billion
as of August 31, 2024**

AUM has grown at a CAGR of 16.4% (INR) since 2014 (as of August 31, 2024)



Customers

- Managed over **5.0 million customer folios** since inception.
- **1.9 million** active customer folios.

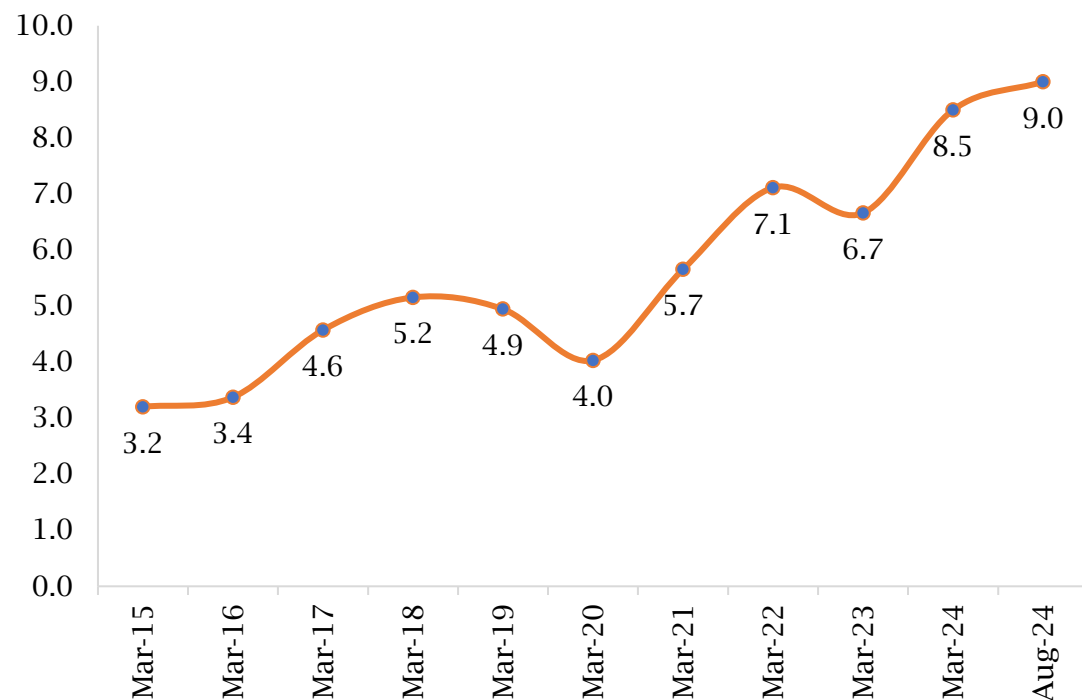


Distribution footprints

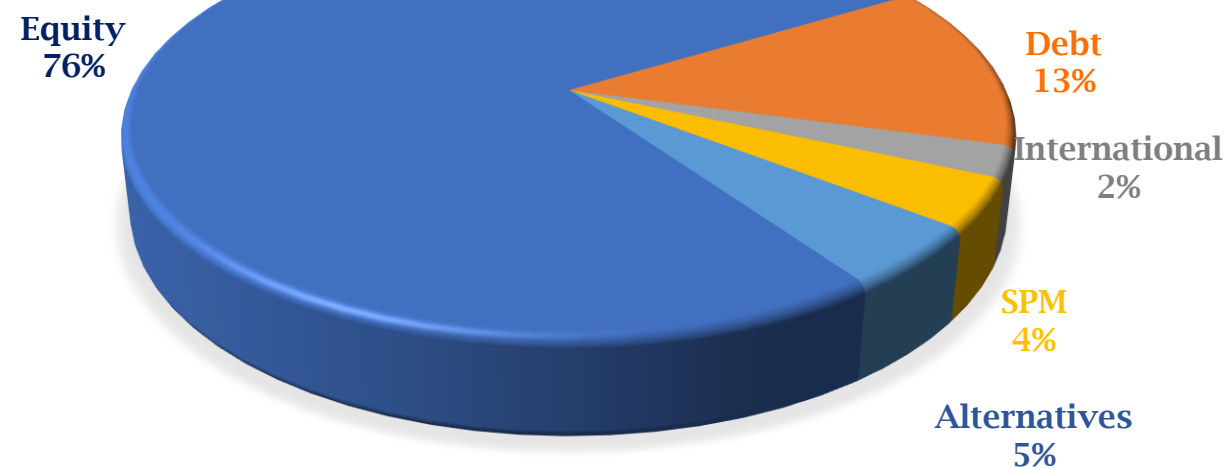
- Over **50,000 empaneled distributors**
- **80 customer care centers** spread across **22 States**, with offices in Singapore and Dubai

Sundaram AMC – Investment Manager

AUM Growth
(in USD Bn)



AUM COMPOSITION



Data as of August 31, 2024.

Sundaram Alternates – subsidiary of SAMC



PORTFOLIO MANAGEMENT SERVICES (PMS)

Dedicated manager with focused strategies to generate higher alpha



ALTERNATIVE INVESTMENT FUNDS (AIF)

- Category II
 - RE Credit Fund – I: raised in Oct 18, matured in Oct 2022
 - RE Credit Fund – II: raised in Feb 21
 - RE Credit Fund – III: raised in Oct 22
 - Emerging Corporate Credit Opportunities I (ECCO-I) – raised in 2023
 - RE Credit Fund – IV: launched June 2023
- Category III
 - Sundaram India Premier Fund: launched in Sep 2018
 - ACORN mid & small cap fund, launched in Feb 2020
 - ATLAS I, an open-ended multi-cap AIF; launched in Jan 2022
 - ATLAS II, a close ended multi-cap AIF; launched in Dec 2022

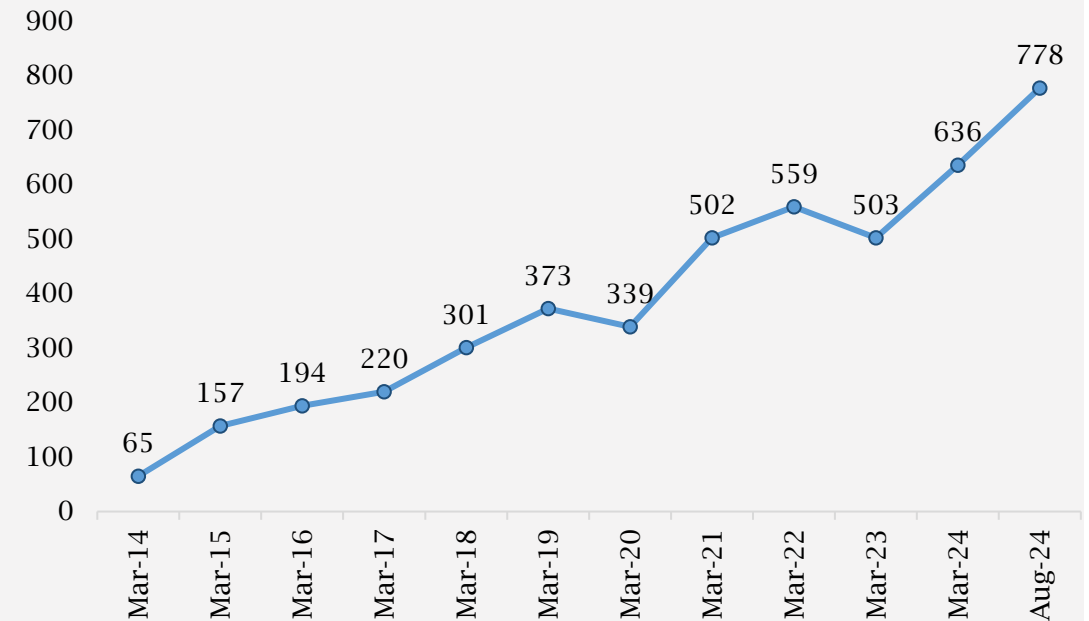


ADVISORY SERVICES

- SMA pools across RE of ~INR 250 cr. and growing
- Foreign & domestic advisory mandates

*Incorporated as a wholly owned subsidiary of Sundaram AMC;
commenced operations in January 2019*

AUM
In USD millions



Assets Under Management (AUM) as of August 31, 2024; RBI reference rates have been used for FX conversions as on the said dates

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