



Service

Discipline

Prudence

Fair play

Honesty

Sundaram India Midcap Fund

November 2023



Integrity

Humility

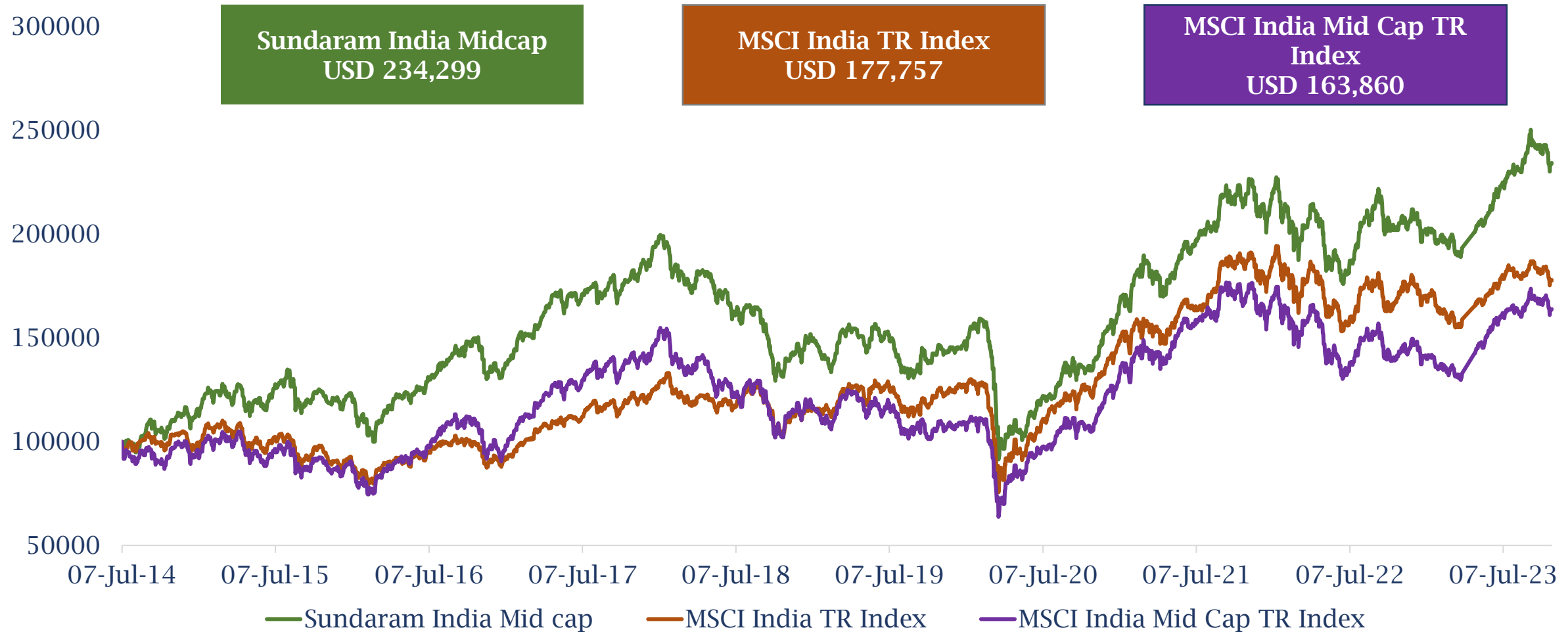
Openness

Relationships

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 in managing this strategy, achieving a **CAGR of 20.5% in USD since inception.**
- **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.

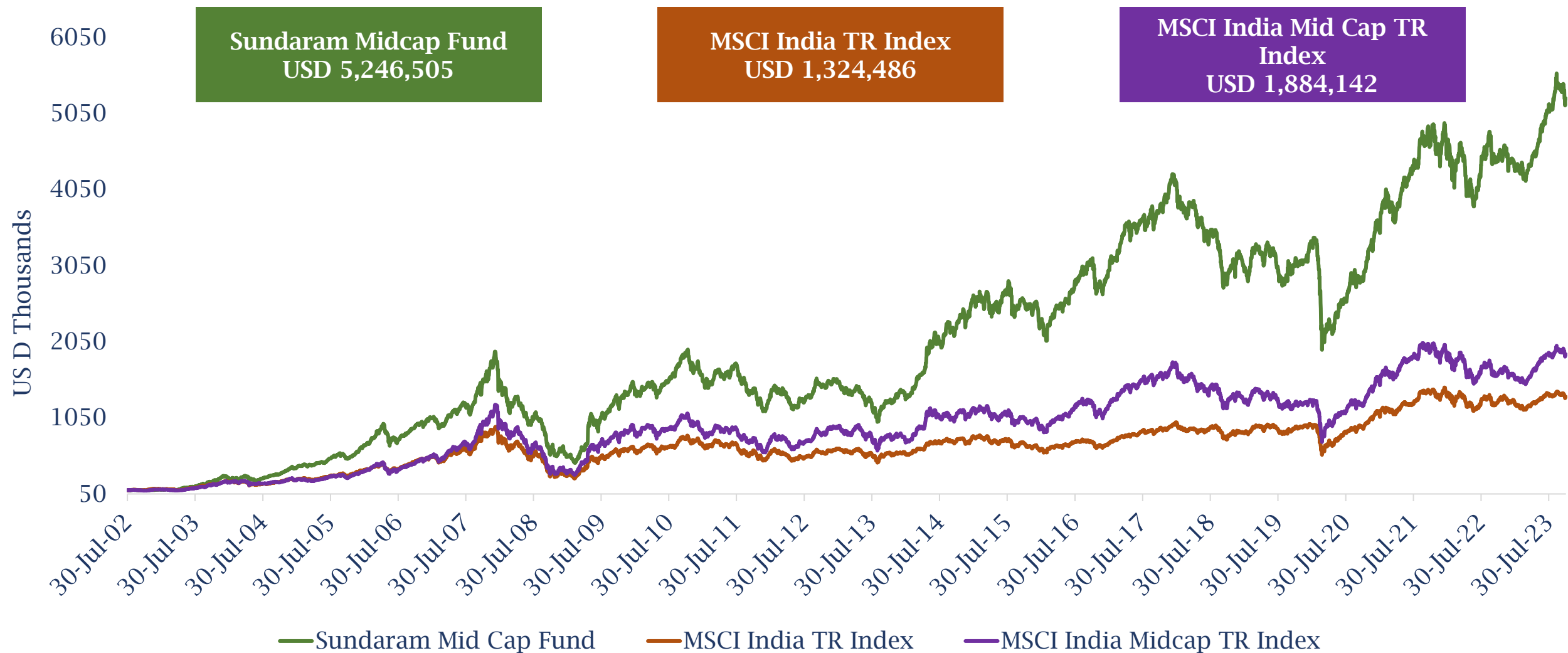
Sundaram India Midcap Fund – Value of US\$100,000 invested at launch



Source: Bloomberg Analysis: In house as of October 31, 2023.

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

Mother Fund – Value of US\$100,000 invested at launch



Source: Bloomberg Analysis: In house as of October 31, 2023

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

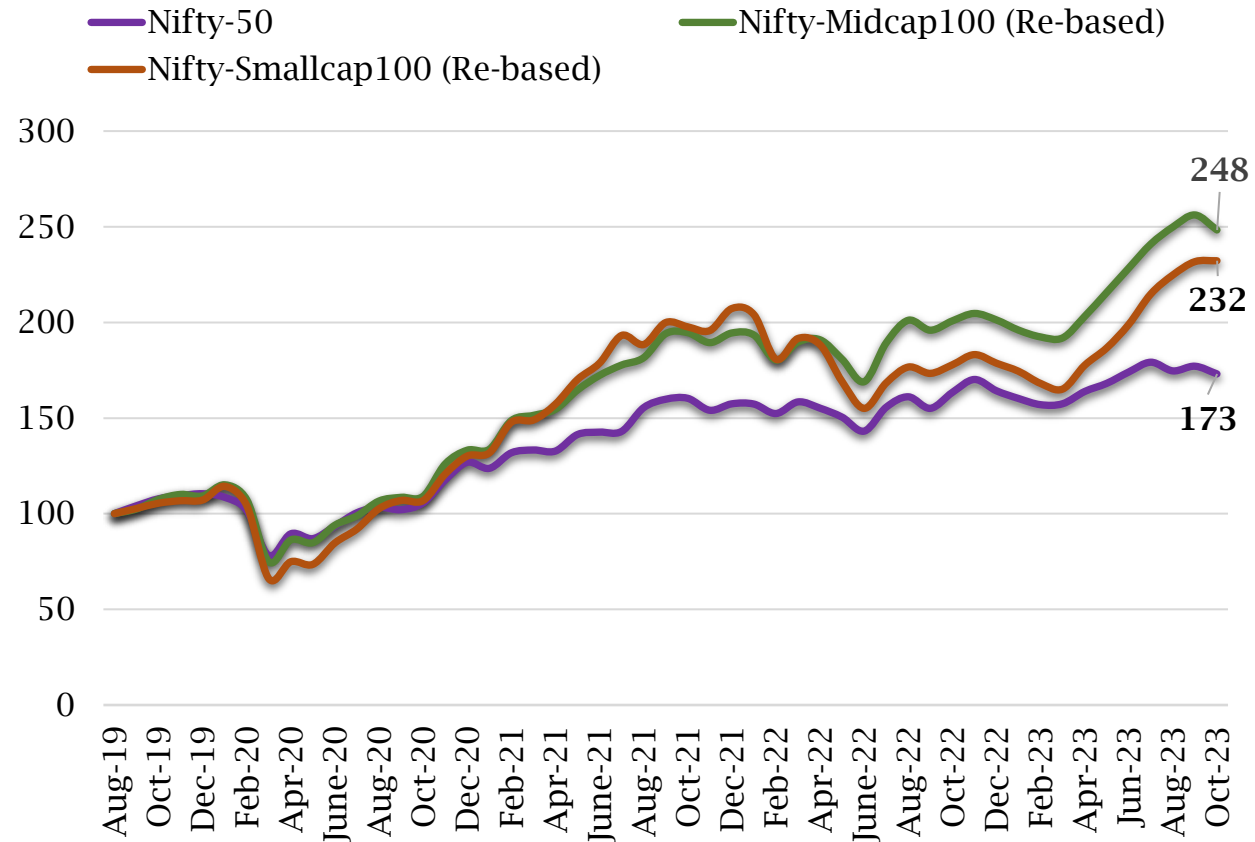
Sundaram India Mid Cap Fund - Peer Comparison

| | YTD 2023 | 1 year | 3 years | 5 years |
|--------------------------------|--------------|--------------|--------------|--------------|
| Sundaram India Mid Cap Fund | 15.7% | 14.6% | 19.8% | 11.0% |
| Morning Star category average | 8.2% | 7.2% | 13.1% | 9.4% |
| Outperformance | +7.4% | +7.4% | +6.7% | +1.6% |
| Number of Funds in MS Category | 512 | 510 | 457 | 396 |
| Peer Group Percentile | 8 | 10 | 9 | 23 |

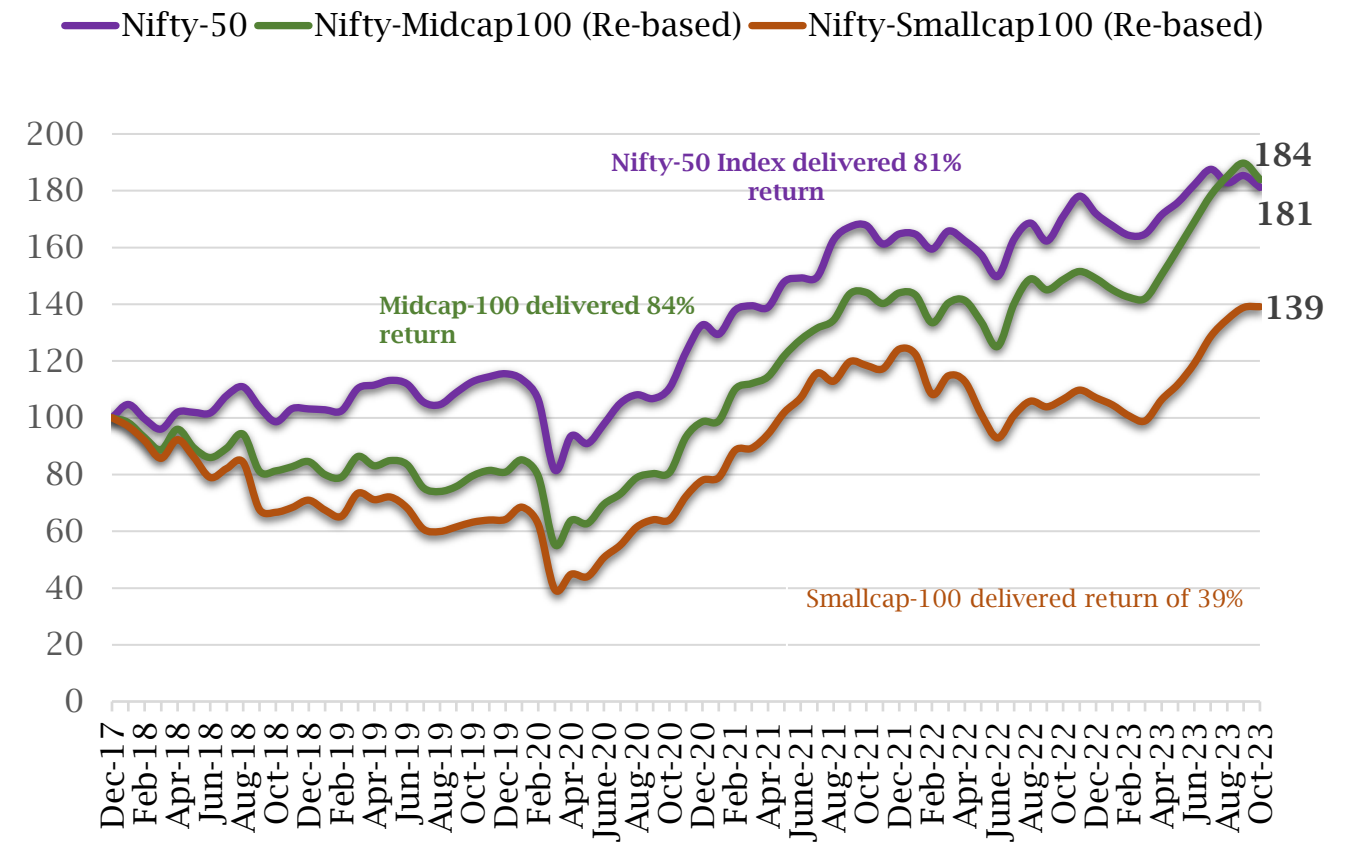
Source: Morning Star Direct
Returns is of the Classic Class (includes dividends paid out) in USD and as of October 31, 2023

Mid & Small Cap performance

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



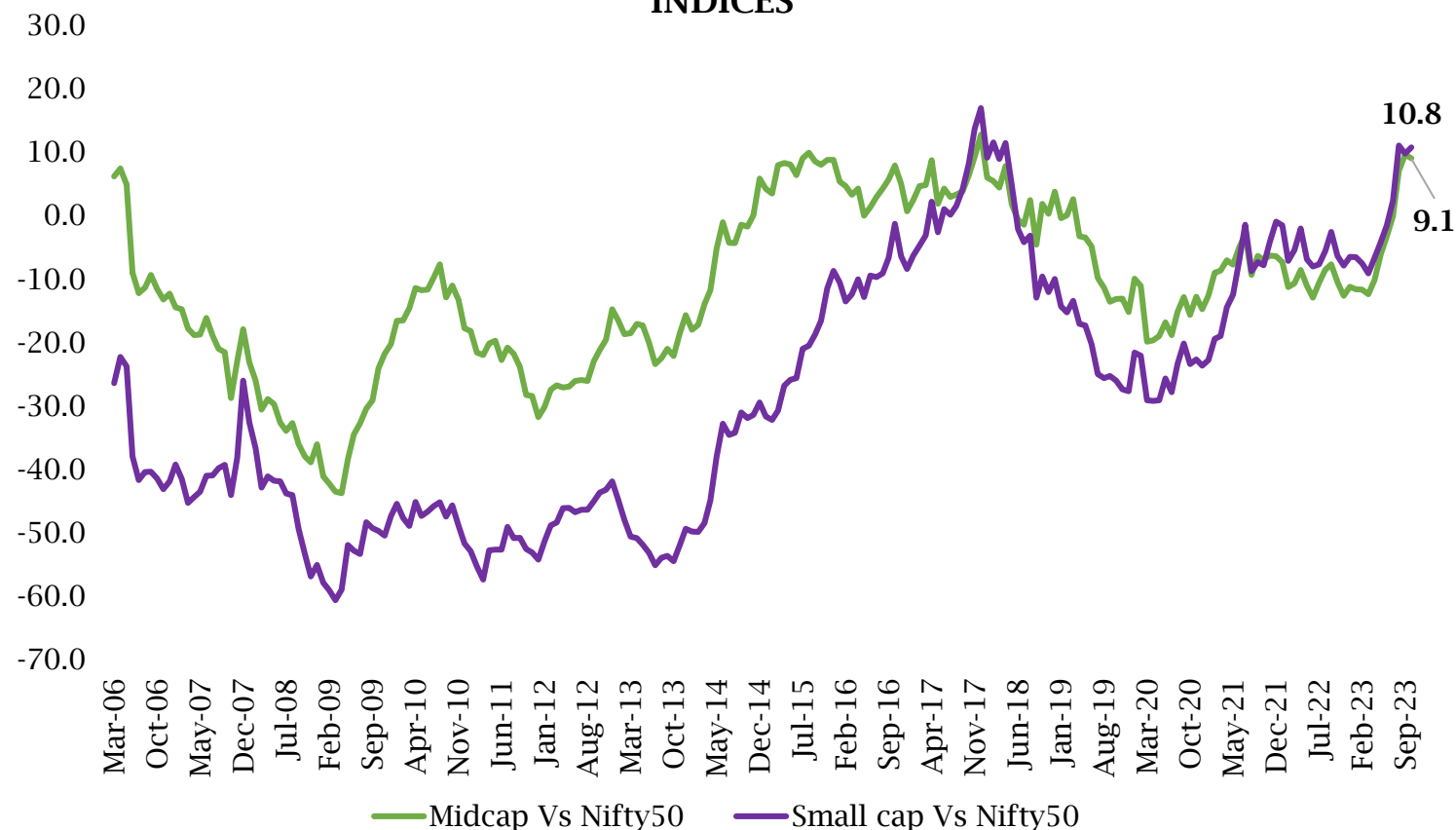
However, since 2018 they are still underperforming the Large caps



Source: Bloomberg, Data as of November 10, 2023

Price/Earnings (P/E) Premiums - Mid/Small cap indices v/s Nifty 50 Index

P/E PREMIUMS BETWEEN NIFTY INDEX AND MID/SMALL CAP INDICES



Premium / Discount over Nifty

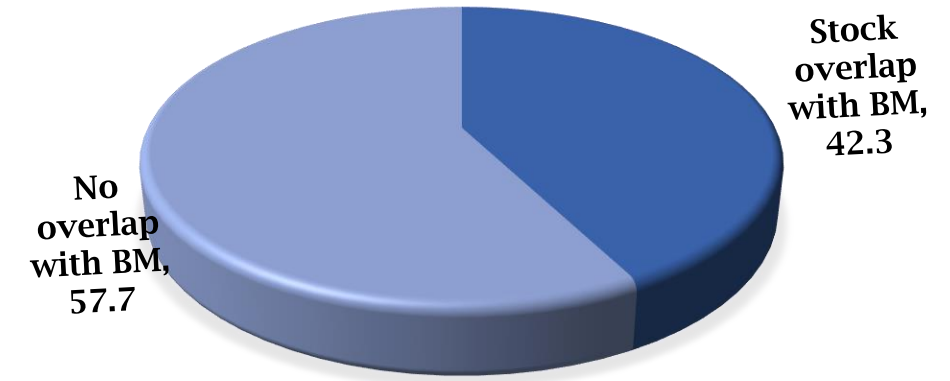
| Index | Dec-17 | Mar-20 | Current |
|---------------|--------|--------|---------|
| NSE Mid-cap | 12.9 | -19.8 | 9.1 |
| BSE Small-cap | 17.0 | -29.1 | 10.8 |

P/E premium/discount indicator works best as a caution indicator, i.e. when the midcap P/E premium is 10%+ and small caps are trading at flat or at a premium.

Source: Bloomberg, Sundaram Asset Management as of end October 2023.

Sundaram India Midcap Fund – Key Figures

| Key Figures | Fund |
|---|--------------|
| Portfolio median market cap (USD) | 5.5 billion |
| Market Cap of the 50 th largest listed stock (USD) | 13.3 billion |
| Maximum market cap in the portfolio (USD) | 60.6 billion |
| Minimum market cap in the portfolio (USD) | 1.3 billion |

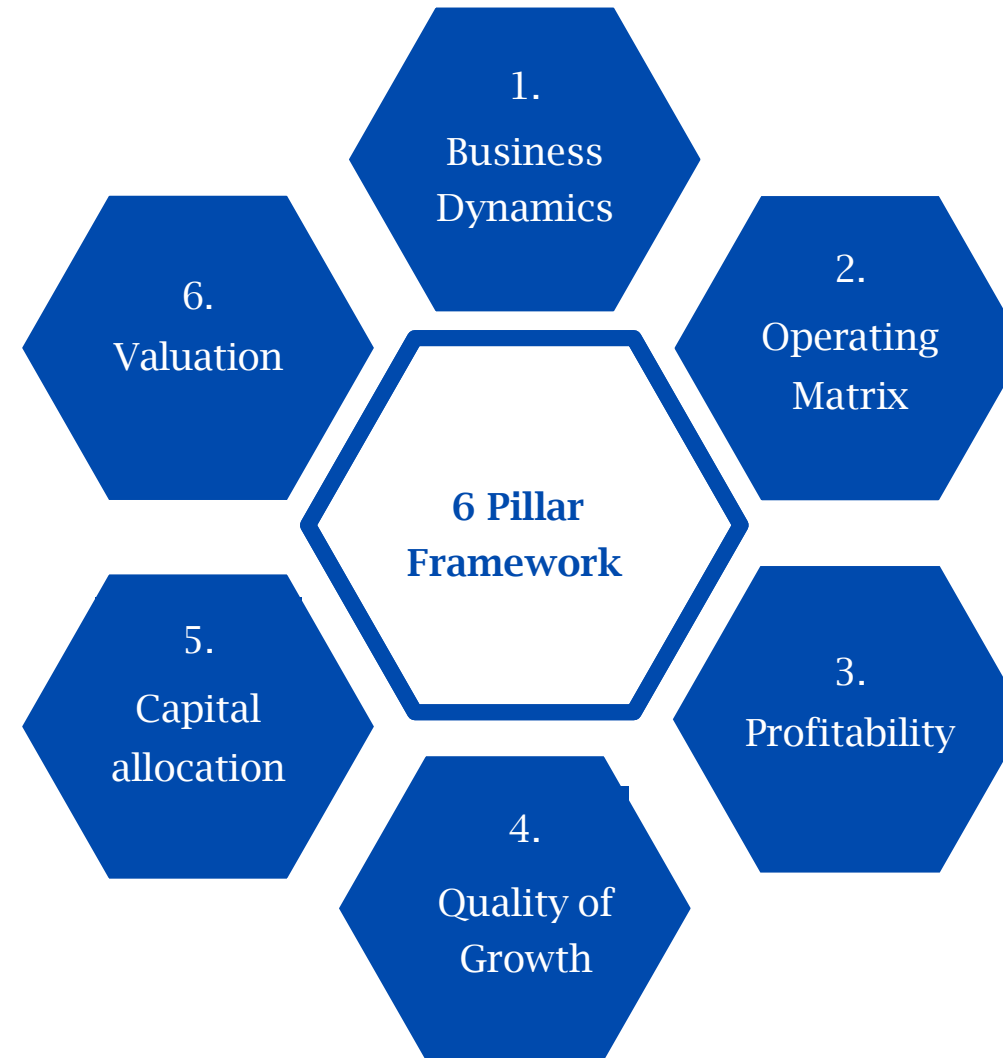


Clear Bottom-up approach to portfolio construction - Just 42.3% stock overlap with the Benchmark

Data Source: Bloomberg Analysis: In house

As of October 31, 2023. Past performance may or may not be sustained in future

Stock Selection Process of India domiciled Mother Fund



Stock Selection – 6 pillar framework and a deep dive into strategy



- Dominant leadership position within segment with distinct growth engines
- High share of cash flows within segment
- Innovative products / technology
- Ability to compound earnings over medium-term

| Auto Ancillary | Healthcare | FMCG |
|---------------------------------|------------------------|-------------------------|
| Sona BLW Precision Forgings Ltd | Fortis Health Care Ltd | Hatsun Agro Product Ltd |

| Industrials | Chemicals | Consumer Services |
|---|----------------------------------|----------------------------|
| Grindwell Norton Ltd Tube Investments of India Ltd | Navin Fluorine International Ltd | Kalyan Jewellers India Ltd |

| Retail | Defense | NBFC |
|-----------|------------------------|--|
| Trent Ltd | Bharat Electronics Ltd | Cholamandalam Investment and Finance Company Ltd |

Portfolio approach

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 December 2020 | As of October 2023 |
|---|---------------------|--------------------|
| More than \$2 Billion | 71.3% | 89.2% |
| \$1 Billion to \$2 Billion | 17.8% | 5.0% |
| Less than \$1 Billion | 10.5% | 0.6% |
| Cash | 0.4% | 5.2% |

| Portfolio positioning | Dec-18 | Dec-19 | Dec-20 | Dec-21 | Dec-22 | Oct-23 |
|--|--------|--------|--------|--------|--------|--------|
| Market Cap of the 50 th largest listed stock (USD Bn) | 8.0 | 8.0 | 9.4 | 13.1 | 12.5 | 13.3 |
| Median Market Cap of the Fund (USD Bn) | 1.9 | 2.1 | 2.9 | 4.5 | 4.2 | 4.2 |
| Fund's Median Market Cap as a % of 50 th largest listed stock | 24% | 26% | 31% | 34% | 34% | 32% |

Positioning – Top Sectors & Stocks



Financials / Banks

- We are overweight on Banks on the back of revival in credit growth, improving asset quality, and steady profitability.
- Preference is towards lenders with strong liability franchise, diversified presence across verticals and ability to grow sustainably above industry rates with adequate capital levels and consistent underwriting practices.
- Our key holdings in this sector include [Shriram Finance Ltd](#), [Cholamandalam Investment & Finance](#) and [Federal Bank](#)



Industrial products

- We are overweight on businesses which benefit from govt spends on infra and better capex environment.
- We have focused on businesses within industrials having technological capabilities to accelerate their internal investments to benefit from the capex cycle.
- Our top holdings include [Polycab India Ltd.](#), [Grindwell Norton](#) and [Cummins India](#)



Chemicals

- Reasonable growth in domestic demand and supply chain diversification adopted by global companies to destinations with capabilities and capacities are key medium - term growth drivers for the Indian chemical industry.
- Within chemicals, Specialty segment is expected to grow at a double-digit pace over the medium term.
- Preference is towards companies with inherent cost advantages and differentiation in process and research capabilities.
- Our top holdings including [Navin Fluorine](#), [PI Industries](#) and [Coromandel International](#).



Auto components

- Domestic volume recovery across automobile segments, rising opportunities to create scalable businesses within the right side of disruption happening in the sector and increasing content share with customers from both domestic and international markets is expected to aid medium-term growth.
- Our key holdings include [Schaeffler India Ltd](#), [Tube Investments of India](#)

Sundaram India Midcap Fund - Holdings

Top 5 stocks

- Federal Bank Ltd.
- Power Finance Corp Ltd.
- Shriram Finance Ltd
- Tube Investments of India Ltd
- Kalyan Jewellers

Overweight stocks

- Federal Bank Ltd.
- Fortis Healthcare Ltd
- Cholamandalam Investment & Finance

Underweight stocks

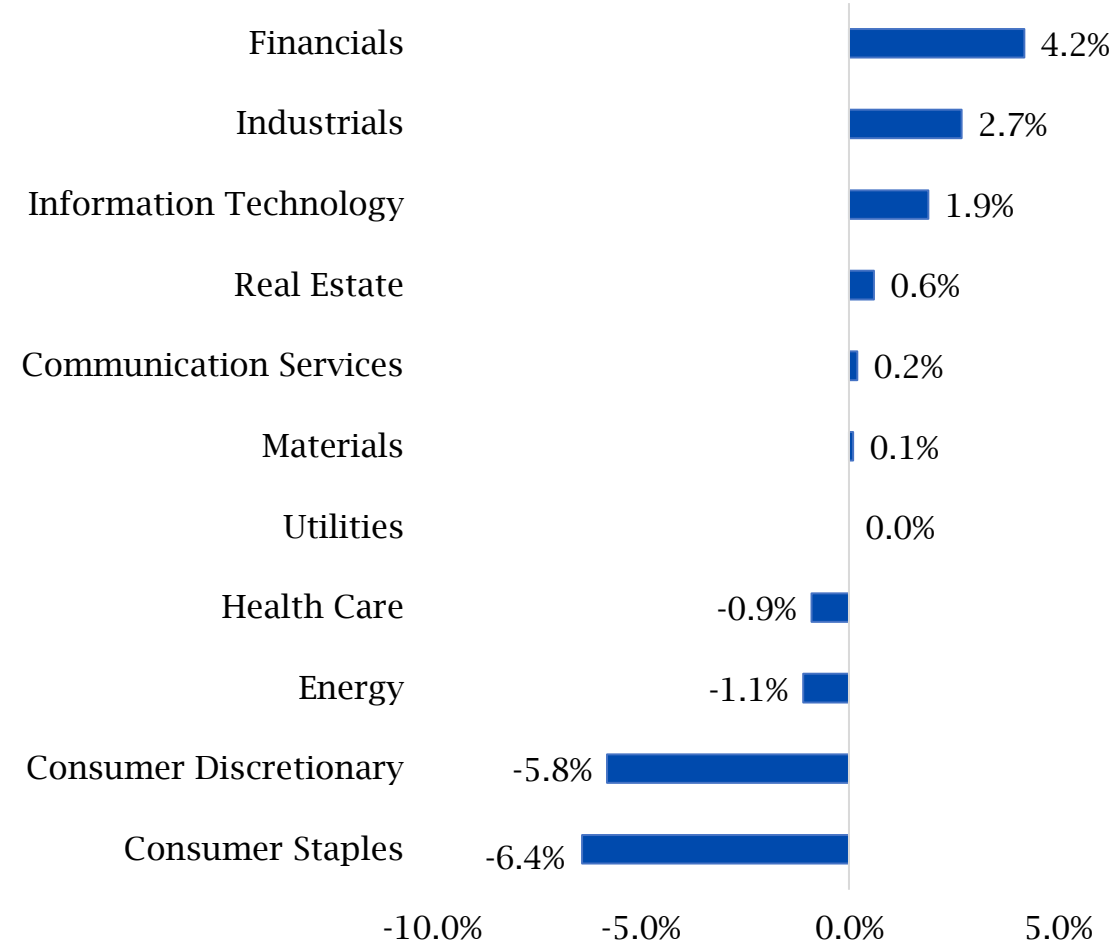
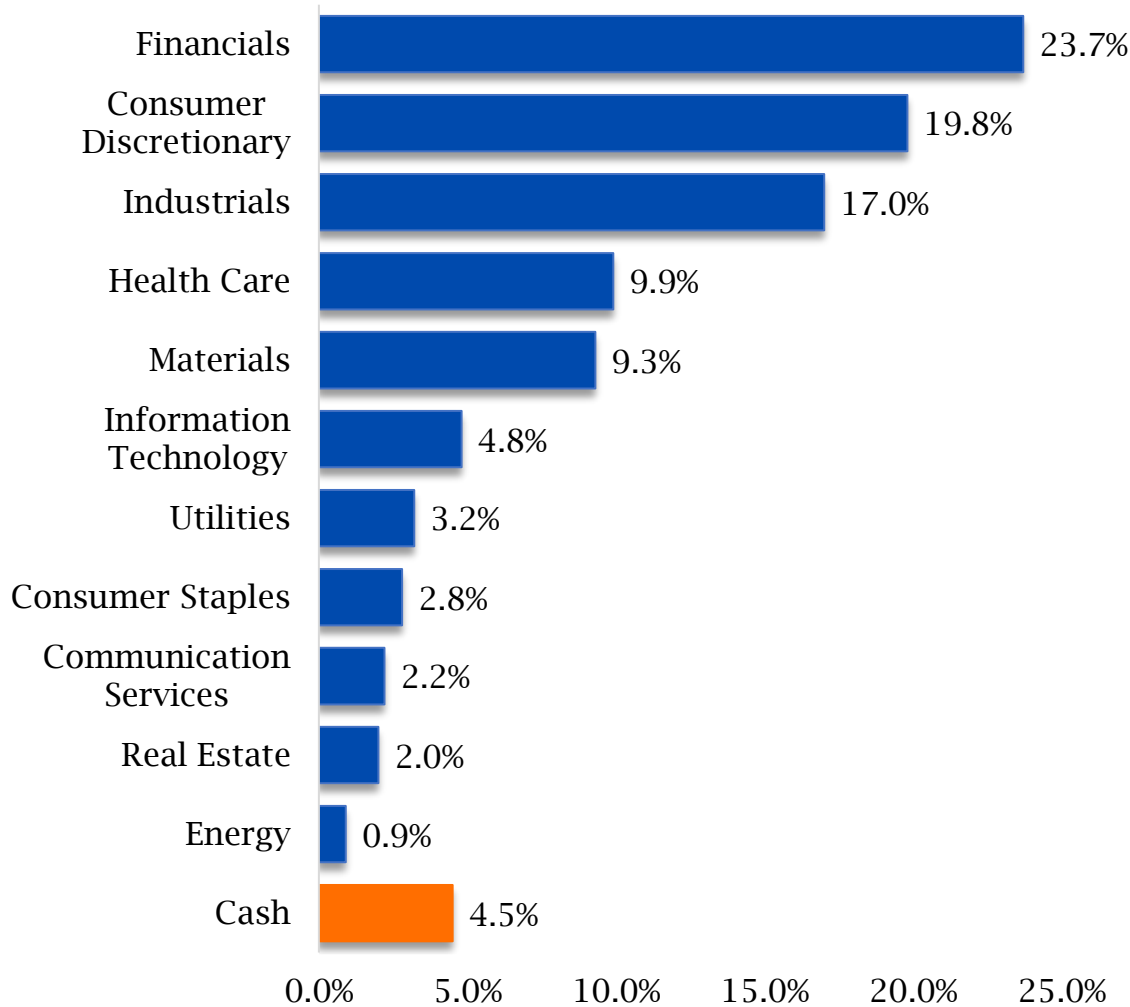
- Tata Consumer Products Ltd
- Apollo Hospitals Enterprise Ltd
- Zomato Ltd

The Fund has invested across 72 holdings

| Security | Market Cap (USD billion) | 1 year absolute returns (INR) | 3 years absolute returns (INR) |
|--------------------------------------|-----------------------------|----------------------------------|--------------------------------------|
| MSCI Inda Mid Cap TR Index | | 16% | 74% |
| Federal Bank Ltd | 4.1 | 8% | 188% |
| Power Finance Corp Ltd | 9.8 | 187% | 365% |
| Shriram Finance Ltd | 8.5 | 57% | 187% |
| Tube Investments of India Ltd | 7.3 | 15% | 384% |
| Kalyan Jewellers India Ltd | 3.6 | 182% | NA |
| Cummins India Ltd | 5.6 | 26% | 306% |
| Cholamandalam Investment and Finance | 11.5 | 61% | 320% |
| Fortis Healthcare Ltd | 2.9 | 17% | 158% |
| Trent Ltd | 9.2 | 41% | 228% |
| Dalmia Bharat Ltd | 4.7 | 32% | 153% |

Data in % & USD & as of October 31, 2023. Past Performance may or may not be sustained in future. Source: Bloomberg and in house analysis

Sundaram India Midcap Fund – Sector overweight / underweight



Data as of October 31, 2023

Portfolio Pivot

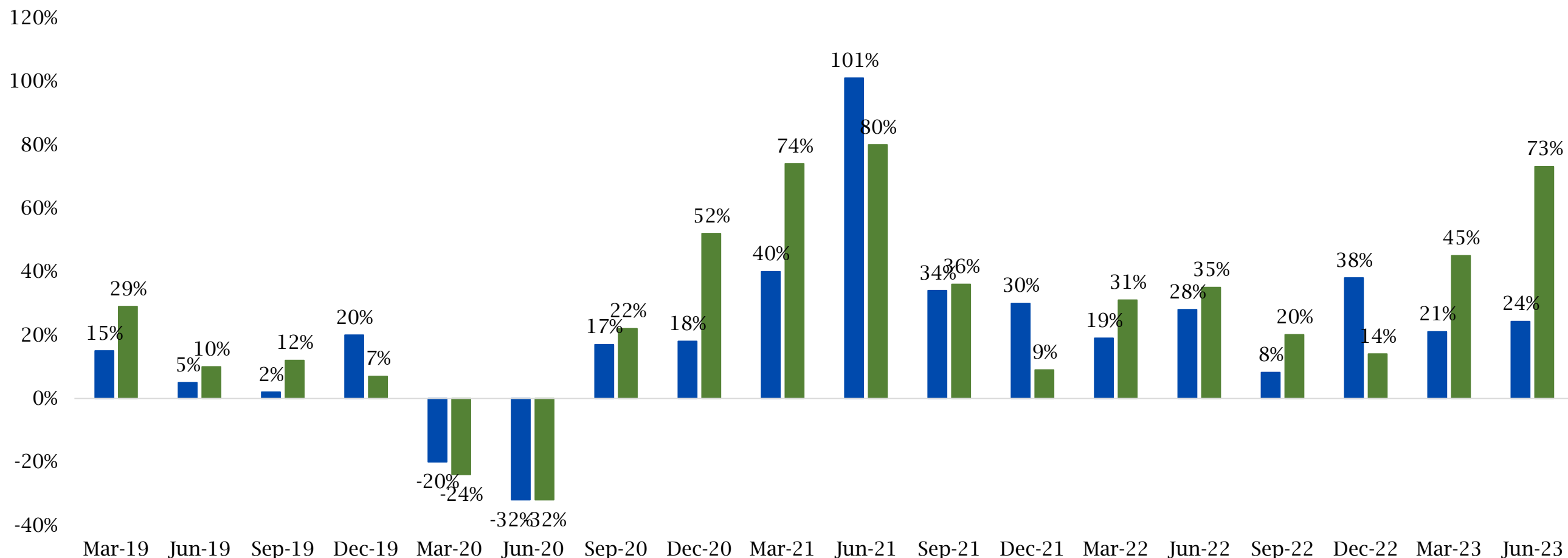
| Stock Changes – Last 6 months | |
|--------------------------------------|------------------------------------|
| Entrants | Exits |
| REC Ltd | Apollo Hospitals Enterprise Ltd |
| Coforge Ltd | Axis Bank Ltd |
| Info Edge India Ltd | Bank of Baroda Ltd |
| Union Bank of India Ltd | Bharat Forge Ltd |
| Biocon Ltd | Crompton Greaves Consumer Elec Ltd |
| Delhivery Ltd | Gland Pharma Ltd |
| KPIT Technologies Ltd | ICICI Bank Ltd |
| Max Healthcare Institute Ltd | Ipca Laboratories Ltd |
| Sanofi India Ltd | Page Industries Ltd |
| Petronet LNG Ltd | Star Health & Allied Insurance Ltd |
| FSN E-Commerce Ventures Ltd | SRF Ltd |
| Indian Bank Ltd | |
| Tata Elxsi Ltd | |
| Bank of India Ltd | |
| TVS Holdings Ltd (Preference Shares) | |
| JSW Infrastructure Ltd | |

Sector changes – Last six months

- Reduced overweight in Financials, Industrials and Materials.
- Increased underweight in Consumer Discretionary.
- Reduced underweight in Consumer Staples, Energy and Utilities.

Weighted Average Earnings Growth - Sundaram Midcap Fund V/s Nifty 50

■ Nifty 50 ■ Sundaram Midcap Fund

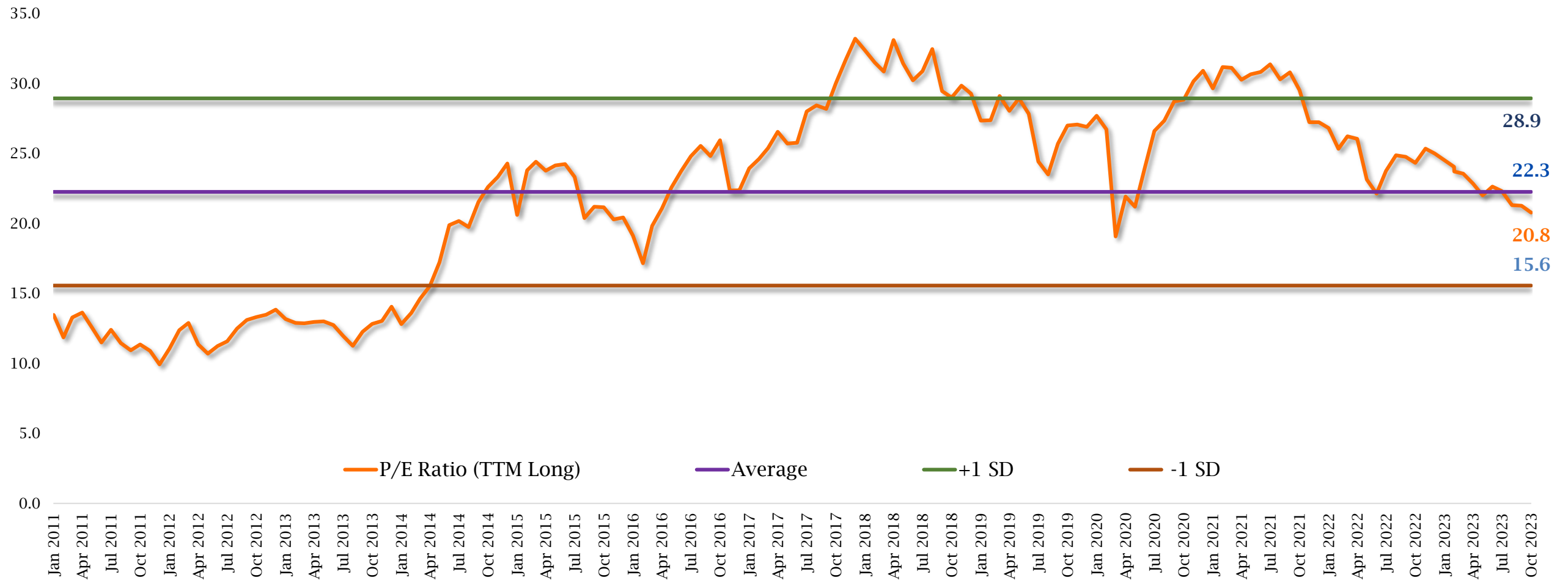


Source: Bloomberg & MOFSL & Ace Equity & In house Computation

Notes: Weighted average earnings growth for India-domiciled Sundaram Midcap Fund and Nifty 50 Index

Trailing Historical P/E of Fund Portfolio

Historical PE of Fund Portfolio



Data Source: Morningstar Direct Portfolio of India-domiciled Sundaram Midcap Fund, as of October 31, 2023

Sundaram India Mid Cap Fund – Peer valuation comparison

| | Sundaram India Mid Cap Fund | Category Average |
|-------------------------------|-----------------------------|------------------|
| P/E(x) | 20.3 | 21.9 |
| P/B | 3.2 | 3.1 |
| Sales Growth (%) | 18.0 | 13.5 |
| Long-term Earnings (%) | 18.4 | 16.0 |

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.

Data Source: Morningstar Direct as of September 30, 2023; Fund as of October 31, 2023

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

Sundaram India Midcap Fund - Ratios and Valuations

| Parameter | Fund |
|-------------------|------|
| Alpha | 3.3 |
| Correlation | 0.89 |
| Tracking Error | 9.0 |
| Information Ratio | 0.3 |
| Turnover (%) | 37.9 |

| Parameter | Fund | MSCI India Mid Cap Index |
|--------------------|------|--------------------------|
| Standard Deviation | 18.7 | 19.1 |
| Beta | 0.9 | - |
| Sharpe Ratio | 0.4 | 0.2 |
| Sortino Ratio | 0.4 | 0.3 |

Risk-Return Metrics are based on month end NAVs since launch and have been annualized. Turnover ratio is for the 6-month period ended June 30,2023 and in percentage.

All other data as of October 31, 2023. Source Bloomberg and In House Analysis. Past performance may not be sustained in future.

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 |
| 2020 | USD 5 cents per unit |
| 2019 | USD 5 cents per unit |

Climate Risk Metrics

Carbon footprint

| Financed emission for corporates | | | | | |
|---|-----------|----------|---------------------|----------|--------|
| tons CO2e/\$M invested | Portfolio | Coverage | Reference benchmark | Coverage | Active |
| Scope 1 and 2 | 175.9 | 91.1% | 207.1 | 90.8% | -15.1% |
| Scope 3 total | 390.0 | 90.0% | 659.7 | 89.8% | -40.9% |
| <i>Data quality</i> | | | | | |
| Reported emissions | 45.0% | | 89.9% | | -9.7% |
| Estimated emissions | 56.1% | | 10.0% | | 7.2% |
| Weighted average carbon intensity | | | | | |
| Corporate constituents tons CO2e/\$M revenue | Portfolio | Coverage | Reference benchmark | Coverage | Active |
| Scope 1 and 2 | 406.2 | 91.1% | 500.4 | 91.1% | -18.8% |
| Scope 3 total | 831.8 | 90.0% | 1042.6 | 89.8% | -20.2% |
| <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 | | | |
|---|-----------|---------------------|--------|
| MSCI climate Value at Risk | Portfolio | Reference Benchmark | Active |
| Aggregate climate value at risk (VaR) | -40.9% | -42.4% | 1.5% |
| Policy climate VaR | -18.8% | -19.1% | 0.3% |
| Technology Opportunities climate VaR | 1.8% | 1.6% | 0.2% |
| Physical risk climate VaR | -23.9% | -25.0% | 1.1% |
| Climate scenario coverage | 90.0% | 90.6% | -0.6% |
| MSCI implied temperature rise | 4.3° | 5.2° | -0.9° |
| ITR coverage | 90.8% | 90.8% | 0.2% |

Source: MSCI
Data as of June 30, 2023

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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 |

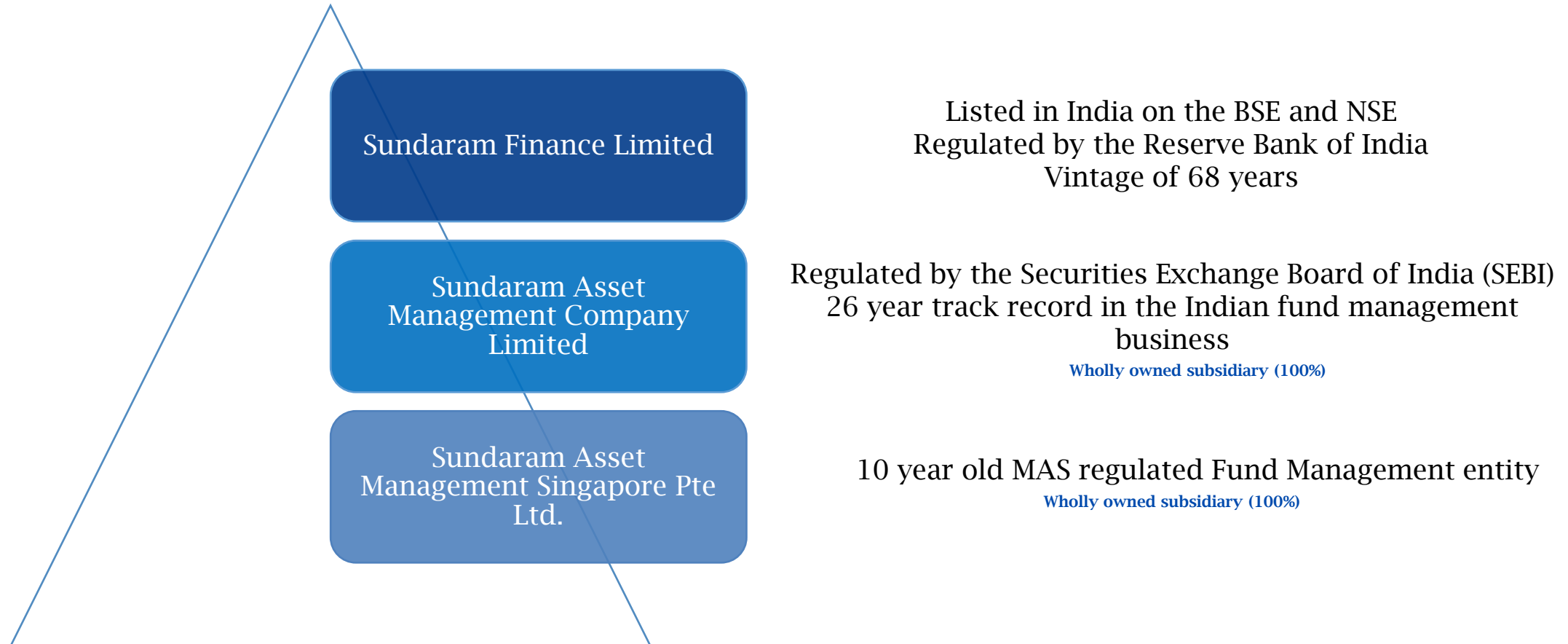


Retail Investor Base: **Over 1.9 million folios**

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.
- **26 years of experience** in fund management and is among the pioneers in the Indian Fund Management industry with **Assets Under Management of USD 7.4 billion as of October 31, 2023**.
- 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.

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



Built significant reputation & goodwill over the decades

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 4.2 billion** as on October 31, 2023



Market cap has grown at CAGR of **~22% (USD)** since listing

Sundaram Finance Group

| | AUM (USD Billion) | Branches | Employees | Customers |
|---|-------------------|----------|-----------|-----------|
|  SUNDARAM FINANCE® <i>Enduring values. New age thinking.</i> | 4.5 | 691 | 7,846* | 543,570 |
|  SUNDARAM MUTUAL UNEARTHING OPPORTUNITIES | 7.3 | 85 | 527 | 1,294,892 |
|  SUNDARAM HOME | 1.4 | 125 | 1,265 | 42,193 |
|  Royal Sundaram General Insurance | 1.0 | 164 | 2,982 | 3,317,970 |
|  SUNDARAM FINANCE GROUP® <i>Enduring values. New age thinking.</i> | 14.2 | 1,065 | 12,620 | 5,198,625 |

*Includes off-roll employees;
Data as of June 30, 2023

Sundaram AMC – Investment manager



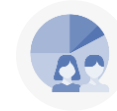
Track record and capabilities

- One of the earliest entrants in the Industry with **26 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 20.5%** 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 7.4 billion
as of October 31, 2023**

AUM has grown at a CAGR of 15.4% (INR) since 2014 (as of October 31, 2023)



Customers

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

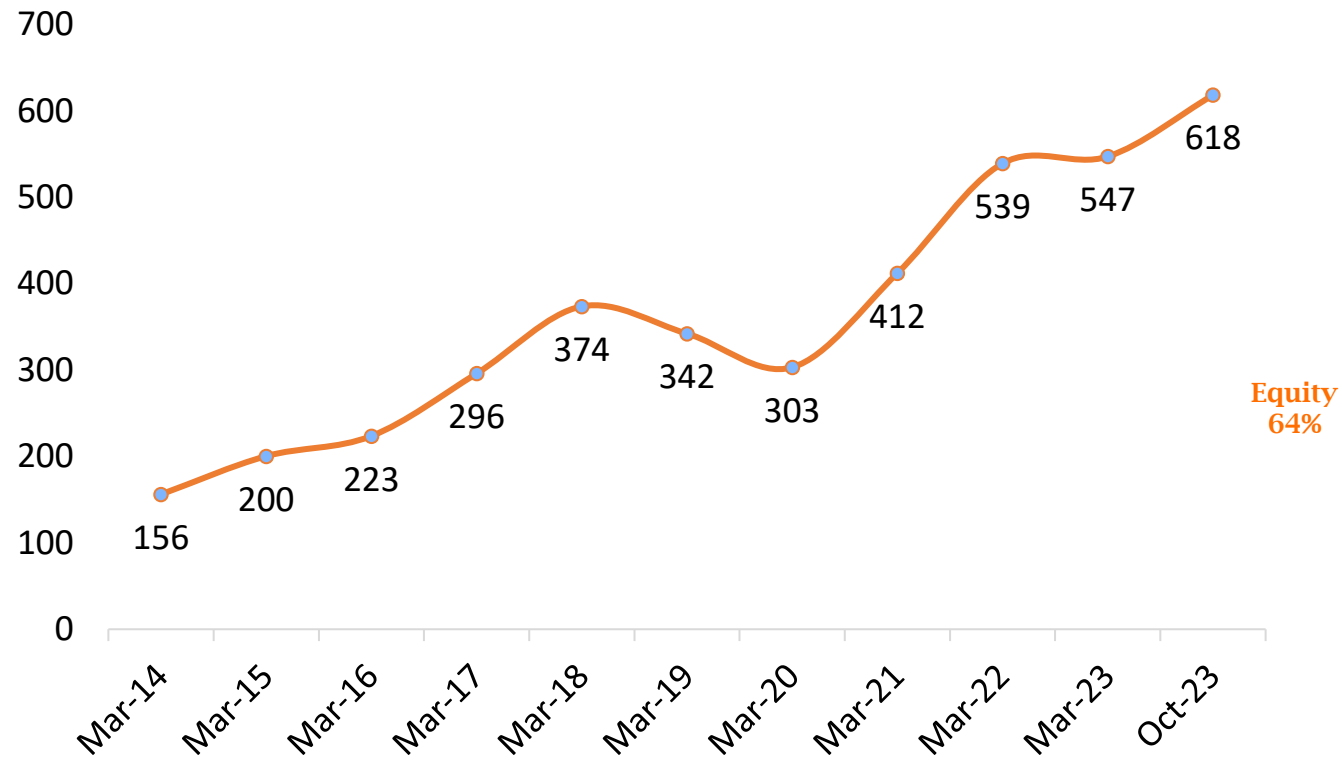


Distribution footprints

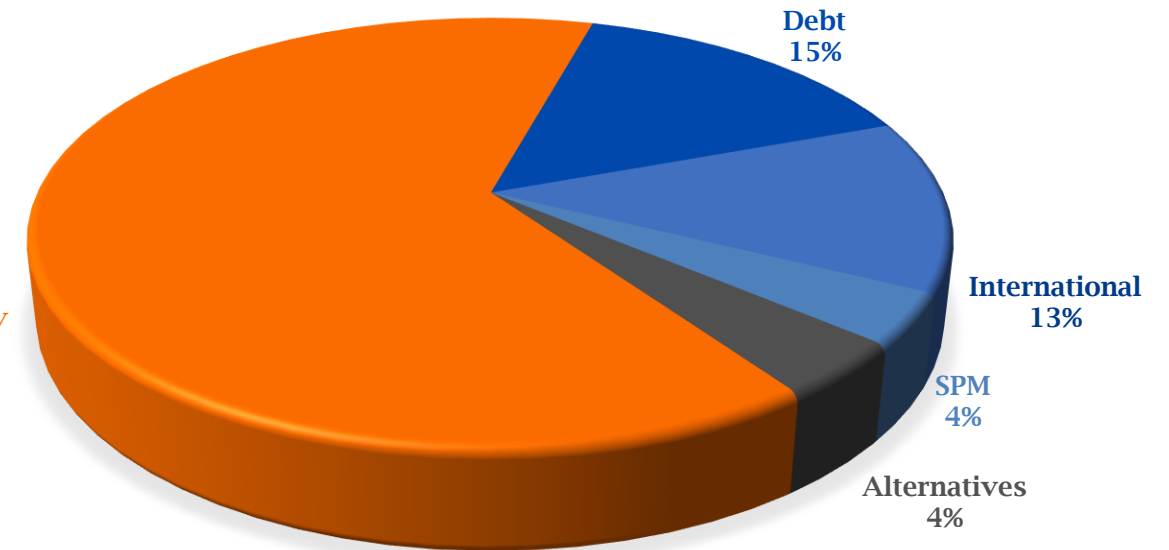
- Over **50,000 empaneled distributors**
- **94 customer care centers** spread across **21 States**, with offices in Singapore and Dubai

Sundaram AMC – Investment Manager

**AUM Growth
(in INR Bn)**



AUM Composition



Data as of October 31, 2023.

Fund Facts



Investment Objective

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



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.



Style

Own stocks of companies that exhibit the ability to grow in a sustainable manner at reasonable valuations.



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.

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