

SUNDARAM & SRINIVASAN

CHARTERED ACCOUNTANTS

23, C.P. RAMASWAMY ROAD,
ALWARPET, CHENNAI - 600 018.

Independent auditor's report on the financial statements
To the Board of Trustees of Sundaram Mutual Fund

1. Report on the Financial Statements.

We have audited the accompanying financial statement of Sundaram Mutual Fund **SUNDARAM WORLD BRAND FUND SERIES.1** as at 31/03/2016, which comprise the Balance Sheet, the Revenue Account for the Year then ended 31/03/2016 and a summary of significant accounting policies and other explanatory information

2. Management's Responsibility for the Financial Statements

The Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the Sundaram Mutual Fund **SUNDARAM WORLD BRAND FUND SERIES.1** in accordance with the Eleventh Schedule of Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 ("The Regulations"). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Regulations for safeguarding the assets of the Mutual fund and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. Auditors Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountant of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Mutual fund's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the mutual fund has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the said statements together with the notes forming part of Accounts give the information required by "The Regulations" in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :



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SUNDARAM & SRINIVASAN

CHARTERED ACCOUNTANTS

23, C.P. RAMASWAMY ROAD,
ALWARPET, CHENNAI - 600 018.

a. In case of Balance sheet, of the state of affairs of Sundaram Mutual fund, **SUNDARAM WORLD BRAND FUND SERIES.1** as at 31/03/2016

b. In the case of Revenue Account of the Surplus of Sundaram Mutual fund **SUNDARAM WORLD BRAND FUND SERIES.1** for the Year ended on 31/03/2016.

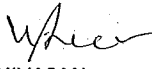
5. Report on Other Legal and Regulatory Requirements

As required by Regulation 55 of Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 we report that:

1. We have **sought and** obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
2. The Balance sheet, and Revenue Account **dealt with by this Report** are in agreement with the books of accounts of the Sundaram Mutual Fund.
- 3.a. The accounts have been prepared in accordance with accounting policies and standards as specified in the Ninth Schedule of "The Regulations".
- b. In our opinion, the valuation methods adopted by the fund for valuation of non-traded securities, "in good faith" are fair and reasonable.

For and on behalf of **SUNDARAM & SRINIVASAN**
Chartered Accountants (FRN No:0042075)

Place: Chennai
Date : 30th June 2016


K.SRINIVASAN
Partner
Membership No. 5809



BALANCE SHEET AS AT 31st MARCH, 2016

	SCHEDULE NO.	31-Mar-16	31-Mar-15
		Rs.	Rs.
LIABILITIES			
Unit Capital	1	450,138,840	450,138,840
Reserves & Surplus	2	34,532,073	704,178
Current Liabilities & Provisions	3	2,187,302	7,721,232
		486,858,215	458,564,250
ASSETS			
Investments	4	485,329,425	449,173,328
Other Current Assets	5	1,528,790	9,390,922
		486,858,215	458,564,250


Notes on Accounts

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As per our Report of even date

For
Sundaram & Srinivasan
Chartered Accountants
(FRN.: 004207S)

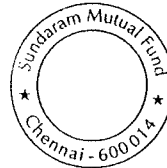
For
Sundaram Mutual Fund


K Srinivasan
Partner
(M.NO : 5809)





Authorised Signatory



Place : Chennai
Date : 30th June 2016

REVENUE ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2016

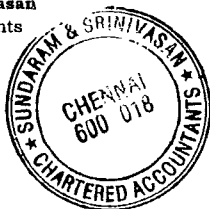
	Schedule No.	01.04.2015 to 31.03.2016		10.12.2014 to 31.03.2015	
		Rs.	Rs.	Rs.	Rs.
REVENUE					
Dividend	6	7,594,373		1278426	
Interest		709,864		5,069,037	
Net profit on transfer / sale of investments (Other than inter-scheme transfer/sale)		-		109,577	
Net Appreciation in value of investment on account of Exchange Difference		22,785,619		2,260	
Realised gain on foreign exchange transactions		80,520			
Net diminution on value of investments written back-Equities		4,405,600		-	
Other Income		7,842		-	
TOTAL (A)		35,583,818	35,583,818	6,459,300	6,459,300
EXPENSES					
Net diminution in value of investment on account of Exchange Difference-ADR	7	10,765,441		4,405,600	
Net Loss on sale / redemption of investments (Other than inter-scheme transfer/sale)		4,490,976		-	
Realised loss on foreign exchange transactions		-		320,486	
Management fee		9,253,624		1,432,407	
Service Tax on AMC Fees		1,302,612		177,045	
Custodian charges		334,532		372,482	
Trusteeship fee		23,491		6,862	
Commission to Agents		2,950,320		2,525,501	
Audit fee		14,030		11,236	
Other Operating expenses		7,830		41,340	
Investors Education Fees		93,971		27,448	
SEBI Fees		5,728		-	
		29,242,555		9,320,406	
Less : Expenses absorbed by AMC		67,401		369,669	
TOTAL (B)			29,175,154		8,950,738
SURPLUS / (DEFICIT) (A-B)			6,408,664		(2,491,438)
Surplus / (Deficit) transferred to Balance Sheet			6,408,664		(2,491,438)

Notes on Accounts

8

As per our Report of even date

For
Sundaram & Srinivasan
Chartered Accountants
(FRN.: 004207S)



K Srinivasan
Partner
(M.NO : 5809)

For
Sundaram Mutual Fund

Sundaram Mutual Fund
Chennai - 600014

Authorised Signatory

Place : Chennai
Date : 30th June 2016

SCHEDULE : 1

Unit Capital

	31/03/2016		31/03/2015	
	Units	Rs.	Units	Rs.
Initial capital	45,013,884	450,138,840	45,013,884	450,138,840
Unit Capital Opening Capital	45,013,884	450,138,840	-	-
Add: Units sold during the year	-	-	45,013,884	450,138,840
	45,013,884	450,138,840	45,013,884	450,138,840
Less : Units repurchased during the year	-	-	-	-
Units at the end of the year	45,013,884	450,138,840	45,013,884	450,138,840
		<u>450,138,840</u>		<u>450,138,840</u>

SCHEDULE : 2

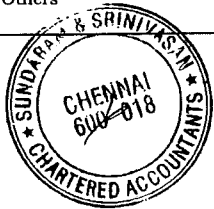
Reserves & Surplus

	31/03/2016		31/03/2015	
	Rs.	Rs.	Rs.	Rs.
General Reserve Opening Balance	(2,491,438)		-	
Add /(Less): Transfer from Revenue Account	6,408,664		(2,491,438)	
		3,917,226		(2,491,438)
Unrealised appreciation reserve Opening Balance	3,195,616		-	
Add/(Less) Net unrealized appreciation for the year	27,419,231		3,195,616	
Unrealised Appreciation Reserve (Schedule 7)		30,614,847		3,195,616
		<u>34,532,073</u>		<u>704,178</u>

SCHEDULE : 3

Current Liabilities & Provisions

	31/03/2016	31/03/2015
	Rs.	Rs.
Sundry Creditors	2,177,924	2,833,893
Contract for Purchase of Investments	-	4,845,656
Others	9,378	41,683
	<u>2,187,302</u>	<u>7,721,232</u>



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SUNDARAM MUTUAL FUND

SUNDARAM WORLD BRAND FUND SR.I

SCHEDULE : 4

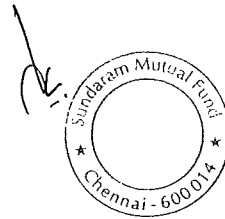
Investments

	31/03/2016	31/03/2015
	Rs.	Rs.
Equity Shares - Overseas	419,567,004	355,732,116
Investments in ADR / GDR	61,062,421	44,420,987
Others - Reverse Repo / CBLO	4,700,000	49,020,225
	485,329,425	449,173,328

SCHEDULE : 5

Other Current Assets

	31/03/2016	31/03/2015
	Rs.	Rs.
Balance with banks in Current Accounts	601,319	5,548,727
CBLO Margin Account	148,420	2,454,005
Repo Margin Account	256,129	891,555
Outstanding and accrued Income	522,922	496,635
	1,528,790	9,390,922

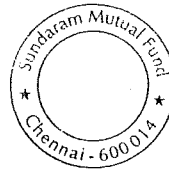


SCHEDULE : 6**Interest**

	01.04.2015 - 31.03.2016	10.12.2014 - 31.03.2015
	Rs.	Rs.
Interest from banks and others	709,864	5,069,037
	709,864	5,069,037

SCHEDULE : 7**Net unrealised appreciation/ (diminution) in value of Investments**

	31.03.2016	31.03.2015
	Rs.	Rs.
Appreciation in Value of Investments		
Equity Shares - Overseas	30,614,847	2,275,271
ADR / GDR - Overseas	-	920,345
Appreciation in Value of Investments (Schedule 2)	30,614,847	3,195,616
Equity Shares - Exchange Difference	19,949,406	
ADR / GDR - Exchange Difference	2,838,473	2,260
Appreciation on account of exchange difference trf to Revenue Account	22,787,879	2,260
Appreciation in Value of Investments	53,402,726	3,197,876
Diminution in value of investments		
Equity Shares - Exchange Difference	-	4,405,600
ADR / GDR - Overseas	10,765,441	-
Diminution in value of investments trf to Revenue Account	10,765,441	4,405,600



SUNDARAM MUTUAL FUND
SUNDARAM WORLD BRAND FUND SERIES I
Schedules forming part of the Balance Sheet as at 31st March 2016 and the
Revenue Account for the Year ended 31st March 2016

SCHEDULE 8

(All amounts mentioned rupees in lakhs)

NOTES ON ACCOUNTS

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 INVESTMENTS

a) Overseas equities/ADR/GDR

Traded securities are valued at the last quoted closing price on the Overseas stock exchange at their local currency and converted into Indian Rupee value by applying the RBI reference rate/Cross currency rate through Bloomberg. Non traded/ thinly traded securities are valued in good faith and in true and fair manner through appropriate valuation policies and procedures.

b) Money Market Securities

Instruments bought on 'repo' basis have been valued at the resale price after deduction of applicable interest up to date of resale.

Investment transactions are accounted on trade dates at cost including brokerage, stamp duty and other levies, if any.

In accordance with the guidance note on accounting for investments in the financial statement of mutual funds issued by The Institute of Chartered Accountants of India, the investments are valued separately category-wise and the net unrealised appreciation arising on account of the net asset value movement of the overseas mutual fund units is directly transferred to unrealised appreciation reserve and the net diminution arising there from is debited to revenue account.

1.2 Foreign Exchange Transactions:

Transactions expressed in currencies other than Indian Rupee are translated into Indian Rupees at the exchange rates applicable on the transaction dates.

Exchange differences arising on settlement of transactions are recognized as income or expense.

Assets and liabilities designated in currencies other than Indian Rupee are translated into Indian Rupee at the exchange rates at the end of each year.

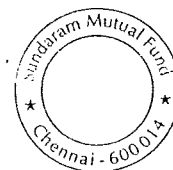
Exchange gain or loss on account of changes in the foreign exchange rates is considered as income or expense in the revenue account. The unrealized appreciation arising on account of changes in foreign exchange rate is reduced for calculating the distributable income.

1.3 INCOME RECOGNITION

- (i) Profit/Loss on sale of investments is recognised on the trade dates based on weighted average cost method.
- (ii) Income on investments is accounted on accrual basis.
- (iii) Other income is accounted on cash basis.

1.4 EXPENSES

Expenses are accounted for on accrual basis.



Accrual of expenses, in addition to TER, for distribution expenses incurred for bringing in inflows from beyond top 15 cities(as notified by Association of Mutual Funds of India (AMFI)) is accrued in accordance with regulation 52(6A)

2. INVESTMENT MANAGER FEES

Management fee is computed on daily average net assets as under:

Particulars	01.04.2015 - 31.03.2016	10.12.2014 - 31.03.2015
Average daily net asset value	4,698.48	4512.85
Management fee @ 1.97%(Previous Year-1.03%) of average daily net asset value	92.54	14.32

3. INVESTMENTS MADE IN COMPANIES WHO HAVE INVESTED MORE THAN FIVE PERCENT OF THE NET ASSET VALUE OF THE SCHEMES OF SUNDARAM BNP PARIBAS MUTUAL FUND.

As per Annexure - I

4. AGGREGATE VALUE OF PURCHASES & SALES MADE DURING THE YEAR

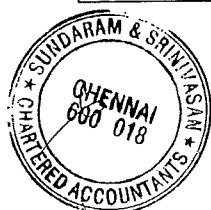
The aggregate value of investments purchased and sold (including matured) during the financial year as a percentage of average daily net asset value is as under:

Description	01.04.2015 - 31.03.2016	10.12.2014 - 31.03.2015
PURCHASE VALUE (AMOUNT)	744.44	5513.61
%	15.84%	122.18%
SALES VALUE (AMOUNT)	333.40	1501.10
%	7.10%	33.26%

5. AGGREGATE FAIR VALUE OF NON-TRADED/THINLY TRADED INVESTMENTS

Aggregate Fair Value of non traded / thinly traded investments valued in "good faith" exceeding 5% of the Net Asset Value as at the end of the year. :

Description	31.03.2016	31.03.2015
Aggregate Fair Value of non traded / thinly traded investments valued in "good faith" exceeding 5% of the Net Asset Value as at the end of the year.	NIL	NIL
% to the asset under management	NIL	NIL



6. INCOME / EXPENDITURE

The total income and expenditure as a percentage of the average daily net assets, during the year are given below.

Particulars	01.04.2015 - 31.03.2016	10.12.2014 - 31.03.2015
Income	7.57%	4.66%
Expenditure#	2.96%	3.05%

The above Expense Ratio is inclusive of Service tax on AMC fees charged over and above the TER limits as per SEBI guidelines.

7. CONTINGENT LIABILITY

Contingent liability as at 31st March 2016 is Rs. Nil. Previous Year Rs. Nil

8. AMOUNT PAID TO SPONSORS/ASSOCIATES

	01.04.2015 - 31.03.2016	10.12.2014 - 31.03.2015
Sundaram Finance Ltd (Sponsor)	NIL	46.01
Sundaram Finance Distribution Ltd (subsidiary of Sponsor)	NIL	NIL
IndusInd Bank (Associate)@	NIL	7.07

@ Indusind Bank ceased to be an associate with effect from 27 June 2015.

9. TOTAL VALUE OF INVESTMENTS (EXCLUDING MONEY MARKET INVESTMENTS) FALLING UNDER EACH MAJOR INDUSTRY GROUP WHICH CONSTITUTES NOT LESS THAN 5% OF THE TOTAL INVESTMENTS IS AS BELOW

(% of total investments within the classification)

Refer Annexure-II

10. PORTFOLIO DISCLOSURE

Full portfolio of the scheme is given in Annexure - III

11. MOVEMENT IN UNIT CAPITAL

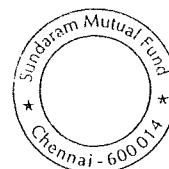
Refer Schedule 1

12. Dividend Income from overseas companies are net of withholding tax, if any.

13. Investor Education & Awareness Initiatives (IEAI)

An annual charge of minimum 2bps (0.02% p.a.) of daily net assets, being part of total recurring expenses is set aside for IEAI as mandated by SEBI vide circular no. CIR/IMD/21/DF/21/2012 dated September 13, 2012. Accordingly accrued balance is transferred on periodic basis to a separate bank account maintained for the purpose. These funds are utilized by the AMC in accordance with SEBI Regulations and policy approved by Trustees.

The balances pending utilization are deployed in money market instruments. Movement of IEAI balances are provided in Annexure VII.



14 HISTORICAL PER UNIT STATISTICS

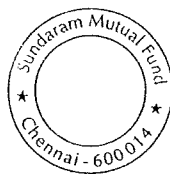
SWBFSR1

	01.04.2015-31.03.2-16				10.12.2014 - 31.03.2015			
	Rs.				Rs.			
(A) Gross Income								
(i) Income other than profit on sale of Investment	0.7687				0.1410			
(ii) Income from profit on inter scheme sales/transfer of Investments	0.0000				0.0000			
(iii) Income from profit on sale of Investment to third parties	-0.0980				-0.0047			
(iv) transfer to revenue account from past year's reserves	0.0000				0.0000			
(B) Aggregate of expenses, write off, amortisation and charges	0.5484				0.1917			
(C) Net Income	0.1424				-0.0554			
(D) Net unrealised appreciation/(dimlnution) in value of Investments	0.9472				-0.0268			
	Growth Option	Dividend Option	Direct Growth Option	Direct Dividend Option	Growth Option	Dividend Option	Growth Option	Dividend Option
(E) Net Assets Value	10.7643	10.7643	10.8961	10.8961	10.0144	10.0144	10.0718	10.0718
(F) Highest repurchase price	NA	NA	NA	NA	NA	NA	NA	NA
Lowest repurchase price	NA	NA	NA	NA	NA	NA	NA	NA
Highest ongoing sale price	NA	NA	NA	NA	10.0000	10.0000	10.0000	10.0000
Lowest ongoing sale price	NA	NA	NA	NA	10.0000	10.0000	10.0000	10.0000
(G) Ratio of expenses (excluding deferred revenue expenditure amortised) to average daily net assets by percentage	2.96%				3.05%			
(H) Ratio of gross income to average daily net assets by percentage	7.57%				4.66%			

15 Computation of Distributable Income

	31.03.2016	31.03.2015
	Rs.	Rs.
Net Income as per revenue account	6,408,664	(2,491,438)
Add : Balance of Undistributed Income as at 1st April brought forward	(2,493,698)	-
	3,914,966	(2,491,438)
Less : Unrealised appreciation in value of Investments on account of exchange difference	(22,785,619)	(2,260)
Less : Income Distributed during the year	-	-
Distributable Income	(18,870,653)	(2,493,698)

16. Previous year figures have been regrouped wherever necessary to conform with the current year's classification

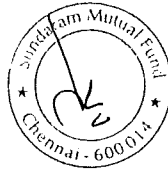


ANNEXURE II

SUNDARAM WORLD BRAND FUND SERIES I

Total Value of Investments under Major Industry Group

	31.03.2016	31.03.2015
FOREIGN SECURITIES/OVERSEAS		
American Depository Receipt		
Automotive	31.65%	47.70%
Consumer Discretionary	56.23%	52.30%
Beverage	12.12%	0.00%
International Equity Shares		
Beverage	8.57%	8.41%
Computer Services	5.15%	6.07%
Computers - Software	7.10%	5.82%
Consumer Discretionary	6.12%	10.36%
Diversified Manufacturing	6.96%	5.80%
Information Technology	5.82%	6.09%
Internet / Intranet	10.77%	8.35%
Manufacturing	5.43%	5.92%
Restaurant	7.14%	5.99%
Product Distribution	6.30%	0.00%



SUNDARAM WORLD BRAND SERIES I					
(A Closed - Ended Equity Oriented Scheme)					
Monthly Portfolio Statement as on Mar 31st. 2016	ISIN	Industry	Quantity	Market/Fai	% to Net
Name of the Instrument					
Equity & Equity related					
(a) Listed / awaiting listing on Stock Exchanges					
India Equity Share*					
Sub Total			NIL	NIL	NIL
Total				NIL	NIL
FOREIGN SECURITIES / OVERSEAS ETFS					
American Depository Receipt					
Tovota Motor Corp	US892331	Automotive	2.740	193.24	3.99%
Hennes & Mauritz Ab-B Shs	US425883	Consumer Discretionary	27.524	120.50	2.49%
Honda Motor Co Ltd	US438128	Consumer Discretionary	6.282	113.93	2.35%
LVMH MOET HENNESSY-UNSP ADR	US455793	Consumer Discretionary	7.316	81.82	1.69%
Anheuser-Busch Inbev-Son Adr	US03524	Beverages	895	74.01	1.53%
Lvmh Moet Hennessy Louis Vuitton	US502441	Consumer Discretionary	1.197	27.13	0.56%
Sub Total				610.62	12.60%
International Equity Shares					
ALPHABET INC. CLASS A	US02079	Internet / Intranet	636	321.85	6.64%
Mcdonald'S Corporation	US580135	Restaurant	3.595	299.71	6.18%
Microsoft Corporation	US594918	Computers - Software	8.131	297.88	6.15%
General Electric Company	US369604	Diversified Manufacturing	13.842	291.89	6.02%
Amazon.Com Inc	US023135	Product Distribution	673	265.01	5.47%
Coca-Cola Company	US191216	Beverage	8.445	259.87	5.36%
Apple Inc	US037833	Manufacturing	3.154	228.02	4.70%
International Business Machines Corp	US459200	Computer Services	2.151	216.09	4.46%
Bayerische Motoren Werke Ag	DE00051	Automobile Industry	3.104	188.11	3.88%
Intel Corporation	US458140	Electronic Compon/ Instruments	6.851	147.01	3.03%
Procter & Gamble Co	US742718	Consumer Staples	2.600	141.96	2.93%
Cisco Systems Inc	US17275	Networking	7.429	140.30	2.89%
Oracle Corporation	US68389	Software & Services	4.936	133.95	2.76%
The Walt Disney Company	US254687	Media & Broadcasting	2.012	132.54	2.73%
Facebook Inc	US30303	Internet / Intranet	1.718	130.03	2.68%
Lvmh Moet Hennessy Louis Vuitton Sa	FR000012	Consumer Discretionary	1.073	121.27	2.50%
Nike Inc	US654106	Footware	2.868	116.94	2.41%
Sao Se	DE00071	Information Technology	2.031	108.44	2.24%
United Parcel Service Inc	US911312	Courier	1.478	103.40	2.13%
Daimler Ag-Registered Shares	DE00071	Consumer Discretionary	2.000	101.18	2.09%
Pepsico Inc	US713448	Beverage	1.469	99.86	2.06%
Hewlett Packard Enterprise Company-WI	US42824	Information Technology	6.817	80.17	1.65%
American Express Company	US025816	Financials	1.824	74.29	1.53%
JP Morgan Chase & Co	US46625	Financials	1.694	66.54	1.37%
HP Inc	US404341	Information Technology	6.817	55.71	1.15%
Ebay Inc	US278642	Commerce	2.476	39.19	0.81%
Daimler Ag-Registered Shares	DE00071	Consumer Discretionary	676	34.45	0.71%
Sub Total				4,195.67	86.57%
Total				4,806.29	99.17%
CBLO / Reverse Repo					
Clearing Corporation of India Ltd				47.00	0.97%
Sub Total				47.00	0.97%
Net Receivables / (Pavables)					
Sub Total				-6.60	-0.14%
Total				-6.60	-0.14%
GRAND TOTAL				4,846.70	100.00%

