

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 II** as at 31/03/2017, which comprise the Balance Sheet, the Revenue Account for the Year then ended 31/03/2017 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 and financial performance of the Sundaram Mutual Fund **SUNDARAM WORLD BRAND FUND SERIES II** 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.

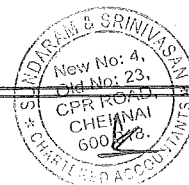
4. Opinion

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 :

a. In case of Balance Sheet, of the state of affairs of Sundaram Mutual fund, **SUNDARAM WORLD BRAND FUND SERIES II** as at 31/03/2017.

b. In the case of Revenue Account of the Surplus of Sundaram Mutual fund **SUNDARAM WORLD BRAND FUND SERIES II** for the Year ended on 31/03/2017.

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SUNDARAM & SRINIVASAN

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

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:004207S)**

Place: Chennai
Date : 23rd June 2017



**K.SRINIVASAN
Partner
Membership No. 5809**



BALANCE SHEET AS AT 31st MARCH, 2017

DESCRIPTION	SCHEDULE NO.	31-Mar-17	31-Mar-16
		Rs.	Rs.
LIABILITIES			
Unit Capital	1	40,45,20,370	40,45,20,370
Reserves & Surplus	2	6,81,45,424	3,16,54,368
Current Liabilities & Provisions	3	18,54,928	20,00,216
		47,45,20,722	43,81,74,954
ASSETS			
Investments	4	47,16,47,512	43,68,22,926
Other Current Assets	5	28,73,210	13,52,028
		47,45,20,722	43,81,74,954

Notes on Accounts

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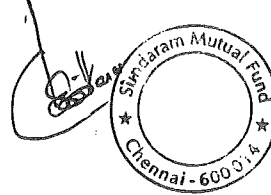
As per our Report of even date

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

K Srinivasan
Partner
(M.NO : 5809)



For
Sundaram Mutual Fund



Authorised Signatory

Place : Chennai

Date : 23rd June 2017

REVENUE ACCOUNT FOR THE YEAR ENDED 31st MARCH 2017

Description	Sch No.	2016-17		2015-16	
		Rs.	Rs.	Rs.	Rs.
REVENUE					
Dividend		79,33,907		68,72,598	
Realised Gain on foreign exchange transactions				86,247	
Interest	6	12,24,120		5,82,423	
Net profit on transfer / sale of investments (Other than inter-scheme transfer/sale)		4,17,84,366		-	
Net Appreciation in value of investment on account of Exchange Difference		-		2,06,11,647	
Net diminution on sale of investments written back		-		39,49,709	
Other Income		2,948		7,071	
		5,09,45,341		3,21,09,695	
TOTAL (A)			5,09,45,341		3,21,09,695
EXPENSES					
Net diminution in value of investment	7	3,68,905		96,83,105	
Net Loss on sale / redemption of investments (Other than inter-scheme transfer/sale)		-		40,21,498	
Unrealised Appreciation in value of investment on account of Exchange Difference written off		1,76,63,544		-	
Realised loss on foreign exchange transactions.		96,347		-	
Management Fees		1,03,05,512		84,09,149	
Service Tax on Management Fees		15,37,644		11,82,772	
Custodian charges		2,05,161		3,06,649	
Trusteeship Fees		22,699		21,135	
Commission to Agents		15,07,849		26,05,700	
Audit Fees		20,434		13,771	
Other Operating expenses		19,332		11,583	
Investors Education Fees		90,796		84,539	
		3,18,38,223		2,63,39,901	
Less : Amount absorbed by AMC		-		66,765	
TOTAL (B)			3,18,38,223		2,62,73,136
Surplus /(Deficit) transferred to Balance Sheet (A-B)			1,91,07,118		58,36,559

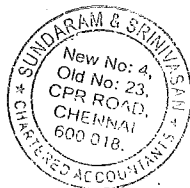
Notes on Accounts

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As per our Report of even date

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

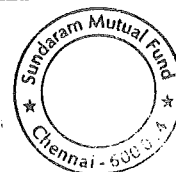
K Srinivasan
Partner
(M.NO : 5809)



Place : Chennai
Date : 23rd June 2017

For
Sundaram Mutual Fund

Authorised Signatory



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SCHEDULE : 1

Unit Capital

Description	31-03-2017		31-03-2016	
	Units	Rs.	Units	Rs.
Initial capital	4,04,52,037	40,45,20,370	4,04,52,037	40,45,20,370
Unit Capital				
Opening Capital	4,04,52,037	40,45,20,370	4,04,52,037	40,45,20,370
Add: Units sold during the year	-	-	-	-
	4,04,52,037	40,45,20,370	4,04,52,037	40,45,20,370
Less : Units repurchased during the year	-	-	-	-
Units at the end of the year	4,04,52,037	40,45,20,370	4,04,52,037	40,45,20,370
		<u>40,45,20,370</u>		<u>40,45,20,370</u>

SCHEDULE : 2

Reserves & Surplus

Description	31-03-2017		31-03-2016	
	Rs.	Rs.	Rs.	Rs.
General Reserve				
Opening Balance	36,65,347		(21,71,212)	
Add /(Less): Transfer from Revenue Account	1,91,07,118		58,36,559	
		2,27,72,465		36,65,347
Unrealised appreciation reserve				
Opening Balance	2,79,89,021		29,94,204	
Add/(Less): Net unrealized appreciation for the year	1,73,83,938		2,49,94,817	
Unrealised Appreciation Reserve (Schedule 7)		4,53,72,959		2,79,89,021
		<u>6,81,45,424</u>		<u>3,16,54,368</u>

SCHEDULE : 3

Current Liabilities & Provisions

Description	31-03-2017	31-03-2016
	Rs.	Rs.
Sundry Creditors	17,90,295	19,91,777
Others	64,633	8,439
	<u>18,54,928</u>	<u>20,00,216</u>

SCHEDULE : 4

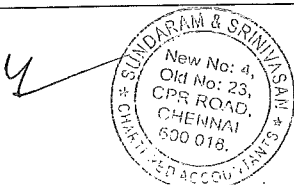
Investments

Description	31-03-2017	31-03-2016
	Rs.	Rs.
Equity Shares - Overseas	38,73,15,680	37,81,83,542
Investments in ADR / GDR	5,76,31,832	5,49,39,384
Others - Reverse Repo / CBLO	2,67,00,000	37,00,000
Total	<u>47,16,47,512</u>	<u>43,68,22,926</u>

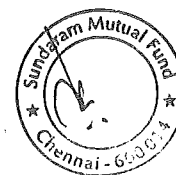
SCHEDULE : 5

Other Current Assets

Description	31-03-2017	31-03-2016
	Rs.	Rs.
Balance with banks in Current Accounts	2,37,272	5,57,702
CBLO Margin Account	3,47,888	1,17,854
Repo Margin Account	15,64,518	2,03,381
Outstanding and accrued Income	7,23,533	4,73,091
	<u>28,73,210</u>	<u>13,52,028</u>



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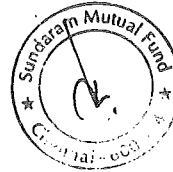
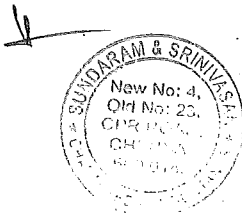


SCHEDULE : 6**Interest**

Description	2016-17	2015-16
	Rs.	Rs.
Interest from banks and others	12,24,120	5,82,423
	12,24,120	5,82,423

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

Description	31.03.2017	31.03.2016
	Rs.	Rs.
Appreciation in Value of Investments		
Equity Shares - Overseas	4,53,72,959	2,79,89,021
Appreciation in Value of Investments (Schedule 2)	4,53,72,959	2,79,89,021
Equity Shares - Exchange Difference	20,67,792	1,80,55,502
ADR / GDR - Exchange Difference	8,80,311	25,56,145
Appreciation on account of exchange difference transferred to Revenue Account	29,48,103	2,06,11,647
Diminution in value of investments		
ADR / GDR - Overseas	1,00,54,047	96,85,142
Diminution in value of investments transferred to Revenue Account	1,00,54,047	96,85,142



SUNDARAM MUTUAL FUND
SUNDARAM WORLD BRAND FUND SERIES II
Schedules forming part of the Balance Sheet as at 31st March 2017 and the
Revenue Account for the Year ended 31st March 2017

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 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. Front end discount, if any, received from the issuer is reduced from the cost of the investment.

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 recognized on the trade dates based on weighted average cost method.

(ii) Income on investments is accounted on accrual basis. In case of non-availability of ex-dividend date for overseas equity shares, the dividend income is accounted on the date of receipt of income.

(iii) Other income is accounted on cash basis.



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1.4 EXPENSES

- a) All expenses are accounted on an accrual basis and are within the limits of SEBI (Mutual Funds) Regulations 1996.
- b) Common recurring expenses, if any—are allocated to the schemes on the basis of Assets under Management of the respective schemes.

2. INVESTMENT MANAGER FEES

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

Particulars	2016-17	2015-16
Average daily net asset value	4539.83	4226.94
Management fee @ 2.27% of average daily net asset value (Previous year 1.99%)	103.05	84.09

3. INVESTMENTS MADE IN COMPANIES WHO HAVE INVESTED MORE THAN FIVE PERCENT OF THE NET ASSET VALUE OF THE SCHEMES OF SUNDARAM 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	2016-17	2015-16
PURCHASE VALUE (AMOUNT)	851.28	674.54
%	18.75%	15.96%
SALES VALUE (AMOUNT)	1144.32	299.62
%	25.21%	7.09%

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

NIL

6. INCOME / EXPENDITURE

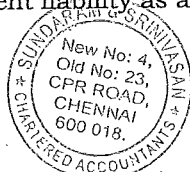
The total income and expenditure as a percentage of the average daily net assets, during the year are given below:

Particulars	2016-17	2015 - 16
Income	11.22%	7.60%
Expenditure #	3.02%	2.97%

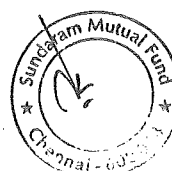
#Total expenses includes service tax on management fees charged over and above the total expense ratio limits prescribed in the SEBI (Mutual Funds) Regulations, 1996.

7. CONTINGENT LIABILITY

Contingent liability as at 31st March 2017 is Rs. Nil. Previous Year Rs. Nil



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8. AMOUNT PAID TO SPONSORS/ASSOCIATES

NIL

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.

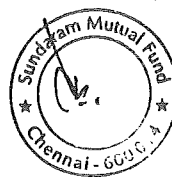
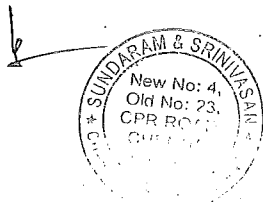
13. Unclaimed Redemption and Unclaimed Dividend amount

The details of unclaimed redemption and unclaimed dividend are disclosed in Annexure VI.

14. 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. From 01.04.2016, 50% of 2bps accrued on daily net assets is transferred to AMFI and the balances are utilized by the AMC in accordance with SEBI Guidelines.

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



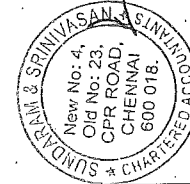
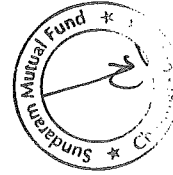
15 HISTORICAL PER UNIT STATISTICS

	01.04.2016-31.03.2017		01.04.2015-31.03.2016		10.12.2014 - 31.03.2015	
	Rs.		Rs.		Rs.	
(A) Gross income						
(i) Income other than profit on sale of investment		0.2285		0.7916		0.1422
(ii) Income from profit on inter scheme sales/transfer of investments		0.0000		0.0000		0.0000
(iii) Income from profit on sale of investment to third parties		1.0306		-0.0973		-0.0033
(iv) Transfer to revenue account from past year's reserves		0.0000		0.0000		0.0000
(B) Aggregate of expenses, write off, amortisation and charges		0.7847		0.5501		0.1926
(C) Net income		0.4723		0.1443		-0.0537
(D) Net unrealised appreciation/(diminution) in value of investments		0.9460		0.9620		-0.0237
(E) Net Assets Value	Regular Growth Option	11.6812	Regular Growth Option	10.7814	Regular Growth Option	10.02
	Direct Growth Option	11.8586	Direct Growth Option	10.9086	Direct Growth Option	10.075
	Direct Dividend Option	11.8586	Direct Dividend Option	10.9086	Direct Dividend Option	10.075
(F) Highest repurchase price	Regular Growth Option	NA	Regular Growth Option	NA	Regular Growth Option	NA
Lowest repurchase price	Direct Growth Option	NA	Direct Growth Option	NA	Direct Growth Option	NA
Highest ongoing sale price *	Direct Dividend Option	NA	Direct Dividend Option	NA	Direct Dividend Option	NA
Lowest ongoing sale price *	Regular Growth Option	NA	Regular Growth Option	NA	Regular Growth Option	10.0000
	Direct Growth Option	NA	Direct Growth Option	NA	Direct Growth Option	10.0000
	Direct Dividend Option	NA	Direct Dividend Option	NA	Direct Dividend Option	10.0000
(G) Ratio of expenses (excluding deferred revenue expenditure amortised) to average daily net assets by percentage		3.02%		2.97%		3.08%
(H) Ratio of gross income to average daily net assets by percentage		11.22%		7.60%		4.70%

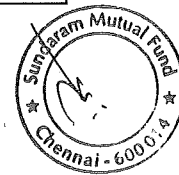
16 Computation of Distributable Income

	31.03.2017	31.03.2016
	Rs.	Rs.
Net Income as per revenue account	19107118	5836559
Add : Balance of Undistributed Income as at 1st April brought forward	(1,69,46,300)	(21,71,212)
	21,60,818	36,65,347
Add/ (Less) : Unrealised appreciation in value of investments on account of exchange difference	1,76,63,544	(2,06,11,647)
Less : Income Distributed during the year	-	-
Distributable Income	1,98,24,362	(1,69,46,300)

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



ANNEXURE II		
SUNDARAM WORLD BRAND FUND SERIES II		
Percentage of Total Investments within the classification		
	31-Mar-17	31-Mar-16
Overseas Securities		
a) American Depository Receipt		
Automotive	49.46%	50.39%
Consumer Discretionary	32.39%	37.49%
Beverages	18.15%	12.12%
b) Overseas Equity Shares		
Internet / Intranet	12.98%	10.80%
Consumer Discretionary	9.23%	6.10%
Computers - Software	7.41%	7.08%
Beverage	7.09%	8.61%
Product Distribution	6.69%	6.30%
Restaurant	6.44%	7.17%
Manufacturing	6.05%	5.42%
Diversified Manufacturing	5.71%	6.98%
Computer Services	5.03%	5.14%
Information Technology	2.38%	5.83%



Annexure - III

SUNDARAM MUTUAL FUND						
SUNDARAM WORLD BRAND FUND SERIES II						
Portfolio Statement as at 31 March 2017						
SL No	ISIN	Name of the Instrument	Rating / Industry	Quantity	Mkt Value Rs. in Lacs	% to Net Assets
Equity & Equity related						
(A) FOREIGN SECURITIES						
(a) American Depository Receipt						
1	US8923313071	TOYOTA MOTOR CORP - SPON ADR	Automotive	2,464	173.53	3.67%
2	US4381283088	HONDA MOTOR CO LTD-SPON ADR	Automotive	5,684	111.52	2.36%
3	US03524A1088	ANHEUSER-BUSCH INBEV-SPON ADR	Beverages	1,470	104.62	2.21%
4	US4258831050	HENNES & MAURITZ AB-UNSPON ADR	Consumer Discretionary	24,752	81.37	1.72%
5	US4557931098	INDITEX-UNSPON ADR	Consumer Discretionary	6,545	74.58	1.58%
6	US5024413065	LVMH Moet Hennessy Louis Vuitton SA Unspn ADR	Consumer Discretionary	1,077	30.70	0.65%
Sub Total					576.32	12.19%
(b) Overseas Equity Shares						
1	US5949181045	MICROSOFT CORPORATION	Computers - Software	6,717	286.83	6.07%
2	US02079K3059	ALPHABET INC. CLASS A	Internet / Intranet	504	277.05	5.86%
3	US0231351067	AMAZON.COM INC	Product Distribution	451	259.24	5.48%
4	US5801351017	MCDONALD'S CORPORATION	Restaurant	2,969	249.51	5.28%
5	US0378331005	APPLE INC	Manufacturing	2,514	234.17	4.95%
6	US30303M1027	FACEBOOK INC	Internet / Intranet	2,450	225.65	4.77%
7	US3696041033	GENERAL ELECTRIC COMPANY	Diversified Manufacturing	11,447	221.18	4.68%
8	US4592001014	INTERNATIONAL BUSINESS MACHINES	Computer Services	1,725	194.77	4.12%
9	US1912161007	COCA-COLA COMPANY	Beverage	6,873	189.13	4.00%
10	DE0005190003	BAYERISCHE MOTOREN WERKE AG	Automobile Industry	2,705	160.17	3.39%
11	FR0000121014	LVMH MOET HENNESSY LOUIS VUITTON SA	Consumer Discretionary	970	138.27	2.93%
12	US7427181091	PROCTER & GAMBLE CO/THE	Consumer Staples	2,352	137.02	2.90%
13	US2546871060	THE WALT DISNEY COMPANY	Media & Broadcasting	1,820	133.81	2.83%
14	US4581401001	INTEL CORPORATION	Electronic Compon/ Instruments	5,719	133.75	2.83%
15	US17275R1023	CISCO SYSTEMS INC	Networking	5,623	123.23	2.61%
16	US68389X1054	ORACLE CORPORATION	Software & Services	4,059	117.40	2.48%
17	FR0000052292	HERMES INTERNATIONAL	Consumer Discretionary	340	104.56	2.21%
18	US6541061031	NIKE INC	Footware	2,596	93.81	1.98%
19	US9113121068	UNITED PARCEL SERVICE INC	Courier	1,337	93.02	1.97%
20	DE0007164600	SAP SE	Information Technology	1,446	92.10	1.95%
21	US46625H1005	JP MORGAN CHASE & CO	Financials	1,523	86.74	1.84%
22	US7134481081	PEPSICO INC	Beverage	1,177	85.37	1.81%
23	DE0007100000	DAIMLER AG-REGISTERED SHARES	Consumer Discretionary	1,777	85.15	1.80%
24	US0258161092	AMERICAN EXPRESS COMPANY	Financials	1,650	84.63	1.79%
25	US2786421030	EBAY INC	Commerce	1,702	37.05	0.78%
26	DE0007100000	DAIMLER AG-REGISTERED SHARES	Consumer Discretionary	615	29.54	0.62%
Sub Total					3,873.16	81.94%
Total for Equity & Equity Related					4,449.48	94.14%
(B) Money Market Instruments						
Reverse Repo					267.00	5.65%
Total for Money Market Instruments					267.00	5.65%
Cash & Other Net Current assets					10.18	0.22%
GRAND TOTAL					4,726.66	100.00%

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