

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 31/03/2018, which comprise the Balance Sheet, the Revenue Account for the Year then ended 31/03/2018 and a summary of significant accounting policies and other explanatory information.

2. Management's Responsibility for the Financial Statements

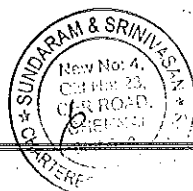
The Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Sundaram Mutual Fund **SUNDARAM WORLD BRAND FUND SERIES II** in accordance with the Eleventh Schedule of Securities and Exchange Board 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.



SUNDARAM & SRINIVASAN
CHARTERED ACCOUNTANTS
23, C.P. RAMASWAMY ROAD,
ALWARPET, CHENNAI - 600 018.

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 31/03/2018.

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 31/03/2018.

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:

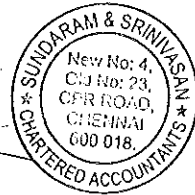
1. We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.

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)



K. Srinivasan
K.SRINIVASAN
Partner
Membership No. 5809

Place: Chennai
Date : 29th June 2018

BALANCE SHEET AS AT 31st MARCH, 2018

	SCHEDULE NO.	31-Mar-18	31-Mar-17
		Rs.	Rs.
LIABILITIES			
Unit Capital	1	404,520,370	404,520,370
Reserves & Surplus	2	111,808,492	68,145,424
Current Liabilities & Provisions	3	1,416,979	1,854,928
		517,745,841	474,520,722
ASSETS			
Investments	4	513,320,585	471,647,512
Other Current Assets	5	4,425,256	2,873,210
		517,745,841	474,520,722

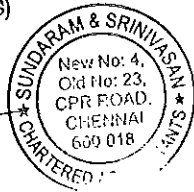
Notes on Accounts

8

As per our Report of even date

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

K Srinivasan
K Srinivasan
Partner
(M.NO : 5809)



For
Sundaram Mutual Fund



Authorised Signatory

Place : Chennai

Date : 29th June 2018

REVENUE ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2018

	Schedule No.	2017-18		2016-17	
		Rs.	Rs.	Rs.	Rs.
REVENUE					
Dividend		6,999,206		7,933,907	
Interest	6	1,468,272		1,224,120	
Net profit on transfer / sale of investments (Other than inter-scheme transfer/sale)		13,327,683		41,784,366	
Net Unrealised Appreciation in value of investment on account of Exchange Difference		11,167,480		-	
Net diminution on sale of investments written back		429,950		-	
Other Income		7,893		2,949	
TOTAL (A)		33,400,484	33,400,484	50,945,342	50,945,342
EXPENSES					
Net diminution in value of investment Unrealised Appreciation in value of investment on account of Exchange Difference written off	7	-		368,905	
Realised loss on foreign exchange transactions		267,550		96,347	
Management Fees		11,310,319		10,305,512	
Service Tax /GST on Management Fees		1,954,393		1,537,644	
Custodian charges		210,423		205,161	
Trusteeship fee		25,290		22,699	
Commission to Agents		1,679,547		1,507,849	
Audit fee		20,257		20,434	
Other Operating expenses		16,758		19,334	
Investors Education Fees		101,140		90,796	
Transfer Agent Fees and Expense		106,529		-	
TOTAL (B)		15,692,206	15,692,206	31,838,223	31,838,223
Surplus /(Deficit) transferred to Balance Sheet (A-B)			17,708,278		19,107,119

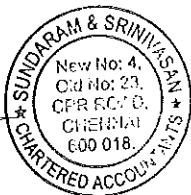
Notes on Accounts

8

As per our Report of even date

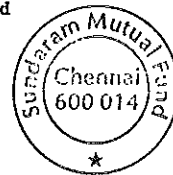
For
Sundaram & Srinivasan
Chartered Accountants
(FRN.: 004207S)

K Srinivasan
Partner
(M.NO : 5809)



For
Sundaram Mutual Fund

Authorised Signatory



Place : Chennai
Date : 29th June 2018

SCHEDULE : 1

Unit Capital

	31/03/2018		31/03/2017	
	Units	Rs.	Units	Rs.
Initial capital	40,452,037	404,520,370	40,452,037	404,520,370
Unit Capital Opening Capital	40,452,037	404,520,370	40,452,037	404,520,370
Add: Units sold during the year	-	-	-	-
Less : Units repurchased during the year	40,452,037	404,520,370	40,452,037	404,520,370
Units at the end of the year	40,452,037	404,520,370	40,452,037	404,520,370
		<u>404,520,370</u>		<u>404,520,370</u>

SCHEDULE : 2

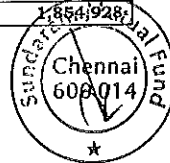
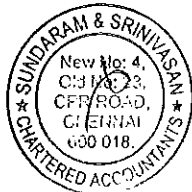
Reserves & Surplus

	31/03/2018		31/03/2017	
	Rs.	Rs.	Rs.	Rs.
General Reserve Opening Balance	22,772,465		3,665,347	
Add/(Less): Transfer from Revenue Account	17,708,278	40,480,743	19,107,118	22,772,465
Unrealised appreciation reserve Opening Balance	45,372,959		27,989,021	
Add/(Less) Net unrealized appreciation for the year	25,954,790		17,383,938	
Unrealised Appreciation Reserve (Schedule 7)		71,327,749		45,372,959
		<u>111,808,492</u>		<u>68,145,424</u>

SCHEDULE : 3

Current Liabilities & Provisions

	31/03/2018	31/03/2017
	Rs.	Rs.
Sundry Creditors	1,407,422	1,790,295
Others	9,557	64,633
	<u>1,416,979</u>	<u>1,854,928</u>



SCHEDULE : 4**Investments**

	31/03/2018	31/03/2017
	Rs.	Rs.
Equity Shares - Overseas	433,386,492	387,315,680
Investments in ADR / GDR	62,345,658	57,631,832
Others - Reverse Repo / CBLO	17,588,435	26,700,000
	513,320,585	471,647,512

SCHEDULE : 5**Other Current Assets**

	31/03/2018	31/03/2017
	Rs.	Rs.
Balance with banks in Current Accounts	301,798	237,272
CBLO Margin Account	1,653,794	347,888
Repo Margin Account	2,156,255	1,564,518
Outstanding and accrued Income	313,409	723,533
	4,425,256	2,873,210

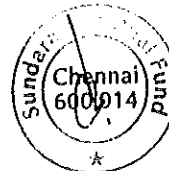
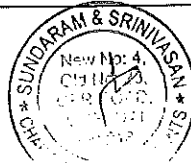


SCHEDULE : 6**Interest**

	2017-18	2016-17
	Rs.	Rs.
Interest from banks and others	1,468,272	1,224,120
	1,468,272	1,224,120

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

	31/03/2018	31/03/2017
	Rs.	Rs.
Appreciation in Value of Investments		
Equity Shares - Overseas	71,327,749	45,372,959
Appreciation in Value of Investments (Schedule 2)	71,327,749	45,372,959
Equity Shares - Exchange Difference	13,009,648	2,067,792
ADR / GDR - Exchange Difference	1,105,935	880,311
Appreciation on account of exchange difference transferred to Revenue Account	14,115,583	2,948,103
Diminution in value of investments		
ADR / GDR - Overseas	9,624,097	10,054,047
Diminution in value of investments transferred to Revenue Account	9,624,097	10,054,047



SUNDARAM MUTUAL FUND
SUNDARAM WORLD BRAND FUND SERIES II
Schedules forming part of the Balance Sheet as at 31st March 2018 and the
Revenue Account for the year ended 31st March 2018

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 unrealized appreciation arising on account of the net asset value movement of the overseas mutual fund units is directly transferred to unrealized appreciation reserve and the net diminution arising there from is debited to revenue account.

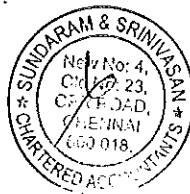
1.2 Foreign Exchange Transactions:

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.

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	2017-18	2016-17
Average daily net asset value	5056.94	4539.83
Management fee @ 2.24% (Previous year- 2.27%) of average daily net asset value	113.10	103.05

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

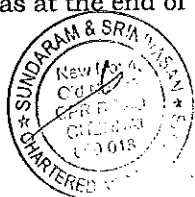
4. AGGREGATE VALUE OF PURCHASES & SALES MADE DURING THE YEAR

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	2017-18	2016-17
PURCHASE VALUE (AMOUNT)	379.81	851.28
%	7.51%	18.75%
SALES VALUE (AMOUNT)	380.90	1144.32
%	7.53%	25.21%

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 : 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	2017-18	2016-17
Income	6.60%	11.22%
Expenditure #	3.05%	3.02%

#Total expenses includes service tax/GST on management fees charged over and above the total expense ratio limits prescribed in the SEBI (Mutual Funds) Regulations, 1996. – Refer Annexure IX for Planwise Expense Ratio.

7. CONTINGENT LIABILITY

Contingent liability as at 31st March 2018 is Rs. Nil. Previous Year Rs. Nil

8. AMOUNT PAID TO SPONSORS/ASSOCIATES

	2017-18	2016-17
Sundaram BNP Paribas Fund Services Limited (R&T Agents)	1.07	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

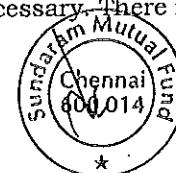
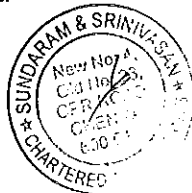
11. MOVEMENT IN UNIT CAPITAL

Refer Schedule 1

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

13. ACCOUNTING STANDARD 17 ON SEGMENT REPORTING

As the Financial Statements are prepared separately on each scheme, no further disclosure under Accounting Standard 17 on segment reporting issued by the Institute of Chartered Accountants of India is considered necessary. There is no secondary reporting segment.



14. ACCOUNTING STANDARD 18 ON RELATED PARTY DISCLOSURES

Related party disclosures as required by the Accounting Standard 18 – “Related Party Disclosures” issued by the Institute of Chartered Accountants of India are given as Annexure - IV

15. Unclaimed Redemption and Unclaimed Dividend amount

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

16. 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.



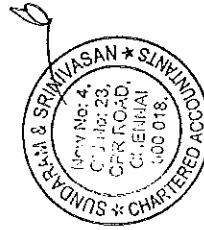
17 HISTORICAL PER UNIT STATISTICS

	2017-18		2016-17		2015-16	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
(A) Gross Income	0.4862		0.2265		0.7916	
(i) Income other than profit on sale of investment						
(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 linked parties	0.3235		1.5305		(0.9973)	
(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	0.3879		0.7847		0.5501	
(C) Net Income	0.4379		0.4723		0.1443	
(D) Not unamortised appreciation/(diminution) in value of investments (including Exchange Ratio appreciation)	1.8743		0.9460		0.9920	
(E) Net Assets Value	12.7600	12.9973	11.6812	11.8586	10.7814	10.9086
(F) Highest repurchase price	NA	NA	NA	NA	NA	NA
Lowest repurchase price	NA	NA	NA	NA	NA	NA
Highest ongoing sale price *	NA	NA	NA	NA	NA	NA
Lowest ongoing sale price *	NA	NA	NA	NA	NA	NA
(G) Ratio of expenses (excluding deferred revenue expenditure amortised) to average daily net assets by percentage	3.05%		3.02%		2.97%	
(H) Ratio of gross income to average daily net assets by percentage	6.00%		11.22%		7.60%	

18 Computation of Distributable Income

	31.03.2018	31.03.2017
	Rs.	Rs.
Net Income as per revenue account	17,708,278	19,107,118
Add: Balance of Undistributed Income as at 1st April brought forward	19,824,352	(19,946,300)
	37,532,630	2,160,818
Add/ (Less): Unrealised appreciation in value of investments on account of exchange difference	(11,167,480)	17,663,544
Less: Income Distributed during the year	-	-
Distributable Income	26,365,150	19,824,362

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

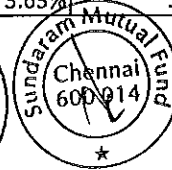
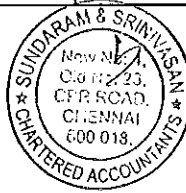


ANNEXURE II

SUNDARAM WORLD BRAND FUND SERIES II

Percentage of Total Investments within the classification

	31/03/2018	31/03/2017
Overseas Securities		
a) American Depository Receipt		
Automotive	49.60%	49.46%
Beverages	26.17%	18.15%
Consumer Discretionary	24.23%	32.39%
b) Overseas Equity Shares		
Consumer Discretionary	24.23%	9.23%
Internet / Intranet	12.46%	12.98%
Product Distribution	7.76%	6.69%
Computers - Software	7.28%	7.41%
Manufacturing	6.63%	6.05%
Financials	6.45%	4.42%
Beverage	6.40%	7.09%
Restaurant	4.69%	6.44%
Computer Services	3.95%	5.03%
Diversified Manufacturing	3.63%	5.71%



SUNDARAM MUTUAL FUND						
SUNDARAM WORLD BRAND FUND SERIES II						
Portfolio Statement as at 31 March 2018						
SL No	ISIN	Name of the Instrument	Rating / Industry	Quantity	Mkt Value Rs. in Lacs	% to Net Assets
Equity & Equity related						
(a) Listed / awaiting listing on Stock Exchanges						
		India Equity Share*		NIL	NIL	NIL
		Sub Total			NIL	NIL
		Total			NIL	NIL
FOREIGN SECURITIES/OVERSEAS ETFS						
		American Depository Receipt	Rating / Industry	Quantity	Mkt Value Rs. in Lacs	% to Net Assets
			Industry			
1	US8923313071	TOYOTA MOTOR CORP - SPON ADR	Automotive	2,163	182.01	3.53%
2	US03524A1088	ANHEUSER-BUSCH INBEV-SPN ADR	Beverages	2,288	163.15	3.16%
3	US4381283088	HONDA MOTOR CO LTD-SPONS ADR	Automotive	5,684	127.25	2.46%
4	US4258831050	HENNES & MAURITZ AB-UNSP ADR	Consumer Discretionary	36,712	69.01	1.34%
5	US4557931098	INDITEX-UNSPON ADR	Consumer Discretionary	6,545	66.84	1.29%
6	US5024413065	LVMH MOET HENNESSY-UNSP ADR	Consumer Discretionary	387	15.19	0.29%
		Sub Total			623.46	12.07%
International Equity Shares						
			Rating / Industry	Quantity	Mkt Value	% to Net
1	US0231351067	AMAZON.COM INC	Product Distribution	361	336.11	6.51%
2	US5949181045	MICROSOFT CORP	Computers - Software	5,427	315.54	6.11%
3	US0378331005	APPLE INC	Manufacturing	2,653	287.28	5.56%
4	US30303A1027	FACEBOOK INC	Internet / Intranet	2,885	287.16	5.56%
5	US02079K3059	ALPHABET INC. CLASS A	Internet / Intranet	387	253.02	4.90%
6	US5801351017	MCDONALD'S CORPORATION	Restaurant	1,972	203.19	3.94%
7	US1912161007	COCA-COLA COMPANY	Beverage	6,873	193.66	3.75%
8	FR0000121014	LVMH MOET HENNESSY LOUIS VUITTON SA	Consumer Discretionary	970	190.74	3.69%
9	DE0005190003	BAYERISCHE MOTOREN WERKE AG	Automobile Industry	2,705	186.59	3.61%
10	US4581401001	INTEL CORPORATION	Electronic Compon/ Instruments	5,719	184.51	3.57%
11	US46625H1005	JP MORGAN CHASE & CO	Financials	2,573	180.75	3.50%
12	US4592001014	INTERNATIONAL BUSINESS MACHINES CORP	Computer Services	1,725	171.13	3.31%
13	US3696041033	GENERAL ELECTRIC COMPANY	Diversified Manufacturing	17,661	157.15	3.04%
14	US17275R1023	CISCO SYSTEMS INC	Networking	5,623	152.37	2.95%
15	US7427181091	PROCTER & GAMBLE CO/THE	Consumer Staples	2,955	151.53	2.93%
16	US2546871060	THE WALT DISNEY COMPANY	Media & Broadcasting	2,201	141.07	2.73%
17	FR0000052292	HERMES INTERNATIONAL	Consumer Discretionary	340	131.05	2.54%
18	US9113121068	UNITED PARCEL SERVICE INC	Courier	1,928	128.77	2.49%
19	DE0007100000	DAIMLER AG-REGISTERED SHARES	Consumer Discretionary	2,392	127.62	2.47%
20	US68389X1054	ORACLE CORPORATION	Software & Services	4,059	118.75	2.30%
21	US6541061031	NIKE INC	Footwear	2,596	110.50	2.14%
22	US0258161092	AMERICAN EXPRESS COMPANY	Financials	1,650	98.96	1.92%
23	DE0007164600	SAP SE	Information Technology	1,446	98.42	1.91%
24	US7134481081	PEPSICO INC	Beverage	1,177	83.58	1.62%
25	US2786421030	EBAY INC	Commerce	1,702	44.40	0.86%
		Sub Total			4,333.86	83.94%
(b) Unlisted						
		Sub Total		NIL	NIL	NIL
		Total			4,957.32	96.01%
DEBT INSTRUMENTS						
(a) Listed/Awaiting Listing on Stock Exchanges						
(b) Privately placed/Unlisted						
(c) Securitised Debt Instruments						
Money Market Instruments						
		Sub Total		NIL	NIL	NIL
		Total			NIL	NIL
Others						
		Mutual Fund Units		NIL	NIL	NIL
		Sub Total			NIL	NIL
CBLO / Reverse Repo						
		CBLO			175.88	3.41%
		Sub Total			175.88	3.41%
Cash and Other Net Current Assets						
		Sub Total			30.08	0.58%
		Total			205.97	3.99%
		GRAND TOTAL			5,163.29	100.00%

