

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 III** 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 III** 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 III** as at 31/03/2018.
- b. In the case of Revenue Account of the Surplus of Sundaram Mutual fund **SUNDARAM WORLD BRAND FUND SERIES III** for the Year ended on 31/03/2018.

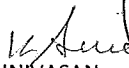
5. Report on Other Legal and Regulatory Requirements

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:004207S)

Place: Chennai
Date : 29th June 2018


K.SRINIVASAN
Partner
Membership No. 5809



BALANCE SHEET AS AT 31st MARCH, 2018

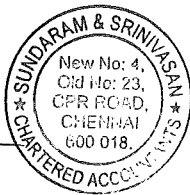
	SCHEDULE NO.	31-Mar-18	31-Mar-17
		Rs.	Rs.
LIABILITIES			
Unit Capital	1	288,339,850	288,339,850
Reserves & Surplus	2	84,327,424	52,729,179
Current Liabilities & Provisions	3	1,013,780	1,329,929
		373,681,054	342,398,958
ASSETS			
Investments	4	370,453,316	340,216,939
Other Current Assets	5	3,227,738	2,182,019
		373,681,054	342,398,958

Notes on Accounts

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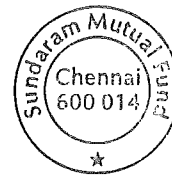
As per our Report of even date

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



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

For
Sundaram Mutual Fund



Authorized 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		5,049,817		5,722,968	
Interest	6	1,072,517		904,141	
Net profit on transfer / sale of investments (Other than inter-scheme transfer/sale)		9,753,783		30,897,338	
Net Unrealised Appreciation in value of investment on account of Exchange Difference		8,419,989		-	
Net diminution on sale of investments written back		410,885		-	
Other Income		5,778		2,295	
		24,712,770		37,526,741	
TOTAL (A)			24,712,770		37,526,741
EXPENSES					
Net diminution in value of investment	7	-		258,249	
Unrealised Appreciation in value of investment on account of Exchange Difference written off		-		13,883,932	
Realised loss on foreign exchange transactions		192,567		73,796	
Management fee		8,162,329		7,436,925	
Service Tax /GST on Management Fees		1,410,429		1,109,632	
Custodian charges		157,716		160,676	
Trusteeship fee		18,251		16,381	
Commission to Agents		1,184,039		1,063,039	
Audit fee		19,670		19,548	
Other Operating expenses		12,204		14,230	
Investors Education Fees		72,989		65,523	
Transfer agents fees and expenses		65,860		-	
		11,296,054		24,101,931	
TOTAL (B)			11,296,054		24,101,930
Surplus /(Deficit) transferred to Balance Sheet (A-B)			13,416,716		13,424,811

Notes on Accounts

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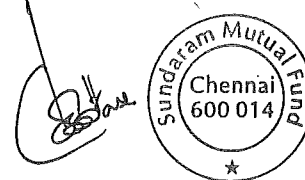
As per our Report of even date

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



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

For
Sundaram Mutual Fund



[Signature]
Authorised Signatory

Place : Chennai
Date : 29th June 2018

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SCHEDULE : 1

Unit Capital

	31/03/2018		31/03/2017	
	Units	Rs.	Units	Rs.
Initial capital	28,833,985	288,339,850	28,833,985	288,339,850
Unit Capital Opening Capital	28,833,985	288,339,850	28,833,985	288,339,850
Add: Units sold during the year	-	-	-	-
Less : Units repurchased during the year	-	-	-	-
Units at the end of the year	28,833,985	288,339,850	28,833,985	288,339,850
		288,339,850		288,339,850

SCHEDULE : 2

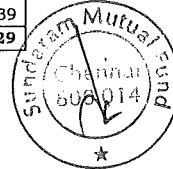
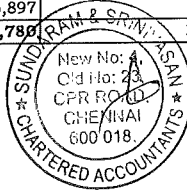
Reserves & Surplus

	31/03/2018		31/03/2017	
	Rs.	Rs.	Rs.	Rs.
General Reserve Opening Balance	19,530,126		6,105,315	
Add /(Less): Transfer from Revenue Account	13,416,716		13,424,811	
Unrealised appreciation reserve Opening Balance	33,199,053		20,309,289	
Add/(Less) Net unrealized appreciation for the year	18,181,529		12,889,764	
Unrealised Appreciation Reserve (Schedule 7)		51,380,582		33,199,053
		84,327,424		52,729,179

SCHEDULE : 3

Current Liabilities & Provisions

	31/03/2018	31/03/2017
	Rs.	Rs.
Current Liabilities		
Sundry Creditors	1,006,883	1,283,290
Others	6,897	46,639
	1,013,780	1,329,929



SCHEDULE : 4**Investments**

	31/03/2018	31/03/2017
	Rs.	Rs.
Equity Shares - Overseas	312,892,508	279,157,266
Investments in ADR / GDR	44,969,087	41,559,673
Others - Reverse Repo / CBLO	12,591,721	19,500,000
	370,453,316	340,216,940

SCHEDULE : 5**Other Current Assets**

	31/03/2018	31/03/2017
	Rs.	Rs.
Balance with banks in Current Accounts	277,229	262,842
CBLO Margin Account	1,182,953	254,349
Repo Margin Account	1,542,380	1,143,876
Outstanding and accrued Income	225,176	520,952
	3,227,738	2,182,019

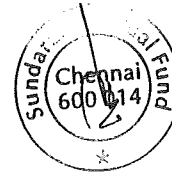
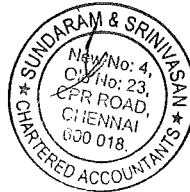


SCHEDULE : 6**Interest**

	2017-18	2016-17
	Rs.	Rs.
Interest from banks and others	1,072,517	904,141
	1,072,517	904,141

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	51,380,582	33,199,053
Appreciation in Value of Investments (Schedule 2)	51,380,582	33,199,053
Equity Shares - Exchange Difference	12,423,285	4,143,963
ADR / GDR - Exchange Difference	942,385	801,717
Appreciation on account of exchange difference transferred to Revenue Account	13,365,670	4,945,681
Diminution in value of investments		
ADR / GDR - Overseas	7,418,638	7,829,523
Diminution in value of investments transferred to Revenue account	7,418,638	7,829,523



SUNDARAM MUTUAL FUND
SUNDARAM WORLD BRAND FUND SERIES III
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.

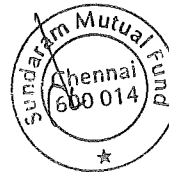
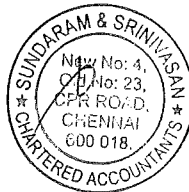
In accordance with the guidance note on accounting for investments in the financial statement of mutual funds issued by The Institute of Chartered Accountants of India, the investments are valued separately category-wise and the net unrealized appreciation arising on account of the net asset value movement 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	3649.45	3276.15
Management fees @ 2.24%(Previous year- 2.27%) of average daily net asset value	81.62	74.37

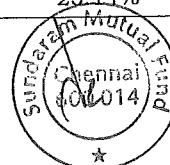
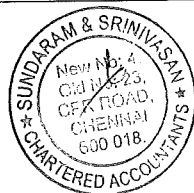
3. INVESTMENTS MADE IN COMPANIES WHO HAVE INVESTED MORE THAN FIVE PERCENT OF THE NET ASSET VALUE OF THE SCHEMES OF SUNDARAM MUTUAL FUND.

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)	278.20	614.03
%	7.62%	18.74%
SALES VALUE (AMOUNT)	274.57	823.74
%	7.52%	25.14%



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	6.77%	11.45%
Expenditure#	3.04%	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)	0.66	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)

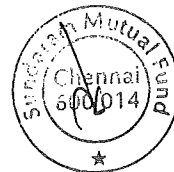
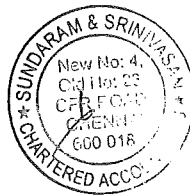
Refer annexure- II

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

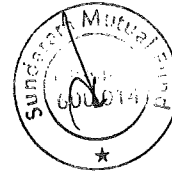
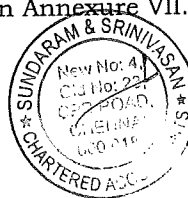
Related party disclosures as required by the Accounting Standard 18 – “Related Party Disclosures” issued by the Institute of Chartered Accountants of India are given as Annexure - IV

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/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 and term deposits. Movement of IEAI balances are provided in Annexure VII.



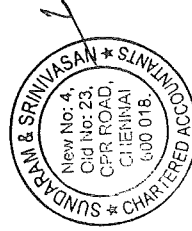
17 HISTORICAL PER UNIT STATISTICS

	2017-18			2016-17			2015-16		
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
(A) Gross income									
(i) income other than profit on sale of investment	0.5188			0.2299			0.8006		
(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	0.3383			1.0680			-0.0927		
(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	0.3918			0.8333			0.5757		
(C) Net income	0.4653			0.4656			0.1322		
(D) Net unrealised appreciation/(diminution) in value of investments (including Exchange Rate appreciation)	1.9862			1.0514			1.0948		
(E) Net Assets Value	12.9160	12.9160	13.1478	11.8221	11.8221	10.9123	10.9123	11.0339	
(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	NA	NA	NA	NA	
Lowest ongoing sale price *	NA	NA	NA	NA	NA	NA	NA	NA	
(G) Ratio of expenses (excluding deferred revenue expenditure amortised) to average daily net assets by percentage	3.04%			3.02%			2.96%		
(H) Ratio of gross income to average daily net assets by percentage	6.77%			11.45%			7.59%		

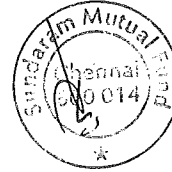
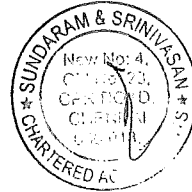
18 Computation of Distributable Income

	31.03.2018	31.03.2017
	Rs.	Rs.
Net Income as per revenue account	13,416,716	13,424,811
Add : Balance of Undistributed Income as at 1st April brought forward	14,584,445	(12,724,297)
	28,001,161	700,514
Add/ (Less) : Unrealised appreciation in value of investments on account of exchange difference	(8,419,989)	13,863,932
Less : Income Distributed during the year	-	-
Distributable Income	19,581,172	14,584,445

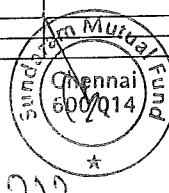
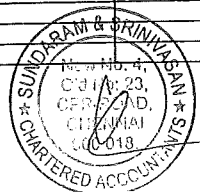
19 Previous year figures have been regrouped/reclassified wherever necessary to conform with the current year's classification.



ANNEXURE II		
SUNDARAM WORLD BRAND FUND SERIES III		
Percentage of Total Investments within the classification		
	31/03/2018	31/03/2017
FOREIGN SECURITIES/OVERSEAS		
a) American Depository Receipt		
Automotive	49.55%	49.42%
Beverages	26.20%	18.15%
Consumer Discretionary	24.25%	32.43%
b) Overseas Equity Shares		
Consumer Discretionary	24.25%	9.30%
Internet / Intranet	12.48%	12.94%
Product Distribution	7.74%	6.69%
Computers - Software	7.28%	7.42%
Manufacturing	6.63%	6.06%
Financials	6.44%	4.42%
Beverage	6.35%	7.05%
Restaurant	4.64%	6.41%
Computer Services	3.95%	5.04%
Diversified Manufacturing	3.63%	5.68%



SUNDARAM MUTUAL FUND						
SUNDARAM WORLD BRAND FUND SERIES III						
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
1	US8923313071	TOYOTA MOTOR CORP - SPON ADR	Automotive	1,563	131.52	3.53%
2	US03524A1088	ANHEUSER-BUSCH INBEV-SPN ADR	Beverages	1,652	117.80	3.16%
3	US4381283088	HONDA MOTOR CO LTD-SPONS ADR	Automotive	4,079	91.32	2.45%
4	US4258831050	HENNES & MAURITZ AB-UNSP ADR	Consumer Discretionary	26,500	49.81	1.34%
5	US4557931098	INDITEX-UNSPON ADR	Consumer Discretionary	4,724	48.24	1.29%
6	US5024413065	LVMH MOET HENNESSY-UNSP ADR	Consumer Discretionary	280	10.99	0.29%
		Sub Total			449.69	12.07%
		International Equity Shares	Rating / Industry	Quantity	Mkt Value	% to Net
1	US0231351067	AMAZON.COM INC	Product Distribution	260	242.07	6.50%
2	US30303M1027	FACEBOOK INC	Internet / Intranet	2,083	207.34	5.56%
3	US5949181045	MICROSOFT CORP	Computers - Software	3,920	227.92	6.12%
4	US0378331005	APPLE INC	Manufacturing	1,915	207.37	5.56%
5	US02079K3059	ALPHABET INC. CLASS A	Internet / Intranet	280	183.07	4.91%
6	US5801351017	MCDONALD'S CORPORATION	Restaurant	1,410	145.28	3.90%
7	US46625H1005	JP MORGAN CHASE & CO	Financials	1,857	130.45	3.50%
8	DE0005190003	BAYERISCHE MOTOREN WERKE AG	Automobile Industry	2,015	139.00	3.73%
9	US1912161007	COCA-COLA COMPANY	Beverage	4,928	138.86	3.73%
10	FR0000121014	LVMH MOET HENNESSY LOUIS VUITTON SA	Consumer Discretionary	701	137.84	3.70%
11	US4581401001	INTEL CORPORATION	Electronic Compon/ Instruments	4,102	132.34	3.55%
12	US4592001014	INTERNATIONAL BUSINESS MACHINES CORP	Computer Services	1,247	123.71	3.32%
13	US17275R1023	CISCO SYSTEMS INC	Networking	4,029	109.18	2.93%
14	US3696041033	GENERAL ELECTRIC COMPANY	Diversified Manufacturing	12,748	113.43	3.04%
15	US7427181091	PROCTER & GAMBLE CO/THE	Consumer Staples	2,133	109.38	2.94%
16	US2546871060	THE WALT DISNEY COMPANY	Media & Broadcasting	1,588	101.78	2.73%
17	DE0007100000	DAIMLER AG-REGISTERED SHARES	Consumer Discretionary	1,728	92.37	2.48%
18	US68389X1054	ORACLE CORPORATION	Software & Services	2,911	85.17	2.29%
19	US9113121068	UNITED PARCEL SERVICE INC	Courier	1,392	92.97	2.49%
20	FR0000052292	HERMES INTERNATIONAL	Consumer Discretionary	250	96.36	2.59%
21	US6541061031	NIKE INC	Footware	1,862	79.26	2.13%
22	US0258161092	AMERICAN EXPRESS COMPANY	Financials	1,185	71.07	1.91%
23	DE0007164600	SAP SE	Information Technology	1,044	71.06	1.91%
24	US7134481081	PEPSICO INC	Beverage	843	59.87	1.61%
25	US2786421030	EBAY INC	Commerce	1,219	31.80	0.85%
		Sub Total			3,128.93	83.96%
		(b) Unlisted		NIL	NIL	NIL
		Sub Total		NIL	NIL	NIL
		Total			3,578.62	96.03%
DEBT INSTRUMENTS						
		(a) Listed/Awaiting Listing on Stock Exchanges		NIL	NIL	NIL
		(b) Privately placed/Unlisted		NIL	NIL	NIL
		(c) Securitised Debt Instruments		NIL	NIL	NIL
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			125.92	3.38%
		CBLO			125.92	3.38%
		Sub Total			125.92	3.38%
		Cash and Other Net Current Assets			22.14	0.59%
		Sub Total			22.14	0.59%
		Total			148.06	3.97%
		GRAND TOTAL			3,726.67	100.00%



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