

PRESS RELEASE

Sundaram Asset Management Announces Purchase of Principal[®] AMC in India

January 25, 2021, Chennai: Sundaram Asset Management Company Limited. (“Sundaram”), a 100% subsidiary of Sundaram Finance Ltd., has announced the purchase of the asset management businesses of Principal Financial Group (“Principal”) in India. Sundaram will acquire 100% of the share capital of Principal Asset Management Pvt. Ltd., Principal Trustee Company Pvt. Limited, and Principal Retirement Advisors Pvt. Ltd. The schemes managed by Principal Asset Management Pvt. Ltd will be acquired by Sundaram. The transaction is subject to the receipt of necessary regulatory approvals and SEBI prescribed processes, and Principal[®] will continue to operate the businesses until the deal is closed.

Sundaram is a significant player in the fund management space with a 25-year track record. Sundaram has over Rs. 40,000 crores in assets under management, the majority of which is in equity oriented schemes. Principal Asset Management has assets under management of INR 7,447 crores as on December 31, 2020 with about 90% of this in equity-oriented schemes.

Commenting on the acquisition, **Mr. Sunil Subramaniam, Managing Director, Sundaram Asset Management Company** said, *“This transaction will strengthen our presence in the marketplace with the addition of a range of schemes with a good long term performance track record across the large and mid-cap segments. This will complement our business which has traditionally been weighted towards the mid- and small-cap segment.”*

Mr. Pedro Borda, chief operating officer, Principal International said, *“As part of a systematic review of the company’s portfolio of businesses and global market dynamics, we’ve made the decision to exit the asset management business in India. As we transition the business, customers and distributors will remain our top priority. We believe they will benefit from Sundaram Asset Management’s larger mutual fund platform in this market.”*

Mr. T.T. Srinivasaraghavan, Managing Director of Sundaram Finance added, *“this acquisition is a natural step in our aspiration to become a sizeable player in the asset management industry. We will be able to leverage the combined platform to derive significant synergies. The focus for us will be on delivering a better experience to our investors and distribution partners.”*

The transaction is subject to approval from SEBI and other regulators, and both Sundaram and Principal will work to ensure that there will be no disruption of service to their partners and investors in the interim, and a seamless transfer once approval is obtained.

Principal said it is committed to the continued operation of Principal Global Services in Pune and Hyderabad to provide critical technical support and services to its offices around the globe.

JM Financial Limited acted as the exclusive financial advisor and J. Sagar Associates acted as the legal advisors to Sundaram Asset Management Company.

Barclays Capital Inc. acted as the exclusive financial advisor and Cyril Amarchand Mangaldas as the legal advisors to Principal.

About Sundaram Asset Management Company:

Sundaram Asset Management Company, established in 1996, is a subsidiary of Sundaram Finance Ltd., one of the most respected financial services players in India. Directly and through its subsidiaries, it manages assets across mutual funds, portfolio management services, alternate investment funds and global funds and advisory mandates. Along with its subsidiaries, it has assets under management of about INR 40,000 crores. The mutual fund operations has a bouquet of seventeen equity and eleven fixed-income funds catering to diverse investor preferences. The brand has a strong retail focus with over 1.1 million active investors and 93 branches across the country.

For more information on Sundaram Mutual Fund and its products, please visit www.sundarammutual.com

About Sundaram Finance Ltd.

Sundaram Finance Ltd (www.sundaramfinance.in) is one of the most respected financial services players in India with assets under management exceeding Rs 30,000 Cr. Incorporated in 1954, Sundaram Finance has an all India presence with 588 branches. The fixed deposits and long term borrowings of SFL are rated AAA by CRISIL and ICRA. In addition to financing of Commercial vehicles, Cars, Construction Equipment and Tractors, it offers innovative solutions to its customers including Diesel Finance, other working capital finance for commercial vehicle operators and operating leases to corporates. Sundaram Direct, its distribution brand offers a suite of financial products from its various partners including loans, savings and insurance (both non-life and Life) products to its customers and has an over 2000 strong sales force. SFL through Sundaram Asset Management Ltd. offers various mutual funds, through Sundaram Home Finance Ltd., offers home loans and through Royal Sundaram it offers various non-life insurance products.

About Principal[®]

Principal helps people and companies around the world build, protect and advance their financial well-being through retirement, insurance and asset management solutions that fit their lives. Our employees are passionate about helping clients of all income and portfolio sizes achieve their goals—offering innovative ideas, investment expertise and real-life solutions to make financial progress possible. To find out more, visit us at principal.com.

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