SBM Mauritius Asset Managers Ltd | SBM

SBM Maharaja Bond Fund

31 October 2018 | NAV per share USD 95.52

Fund Objective

SBM Maharaja Bond Fund is an accumulation fund that invests in Indian debt and debt-related securities. The objective of the Fund is to achieve long-term capital growth by investing in a portfolio of quality issuers across different sectors in India.

Risk Profile

Low	Low to Moderate	**Moderate**	Moderate to High	High

Fund Profile

Inception Date:	May-16
Multi-Class Vehicle Fund:	SBM Maharaja Fund
Currency:	USD
Fund Size:	USD 11.3M
ISIN:	MU0566S00002
Dealing Frequency	The first business day of the week
Management Fee:	0.5% p.a
Performance Fee:	10% (net of management fees of the appreciation of each of the client portfolio over the High Water Mark, subject to a Hurdle Rate of 4% p.a)
Entry fee:	0.50%
Exit fee:	3% up to Yr 1| 2% up to Yr 2| 1% up to Yr 3| Nil after Yr 3

Fund Facts

Fund Administrator:	SBM Fund Services Ltd
Registrar & Transfer Agency:	SBM Fund Services Ltd
Custodian:	IL&FS Securities Services Ltd
Auditors:	Ernst & Young
Banker:	SBM Bank (Mauritius) Ltd
Investment Advisor:	Kotak Mahindra (International) Limited

Top 10 Holdings

	% Net Assets
Shriram Transport Finance Company Ltd 16/05/2020	7.6%
M&M Financial Services Ltd 06/06/2026	7.4%
U.P Power Corporation Ltd 15/02/2027	6.3%
National Highway Authority of India 18/03/2022	6.3%
Andhra Bank Perpetual 05/08/2021	6.3%
Reliance Utilities & Power Ltd 08/02/2024	6.2%
Reliance Capital Ltd. (RCL F Series B NCD 367 Type III) 02/11/2023	6.2%
Nuvoco Vistas Corp 14/09/2020	6.1%
IDFC INFRA BOND 7.98% 23/05/2023	6.1%
Haryana 8.14% 27 March 2028	6.1%
TOTAL	**64.6%**

Portfolio Composition

	% Net Assets
SOV	35.8%
AAA	26.4%
AA	13.4%
AA+	12.0%
A+	6.1%
AA-	4.5%
Cash	1.9%
TOTAL	**100.0%**

Key Metrics

Average Maturity	5.8 yrs
Macaulay Duration	4.2 yrs
Modified Duration	4.0 yrs
Annualised Volatility (1 Yr)	6.5%

Cumulative Return

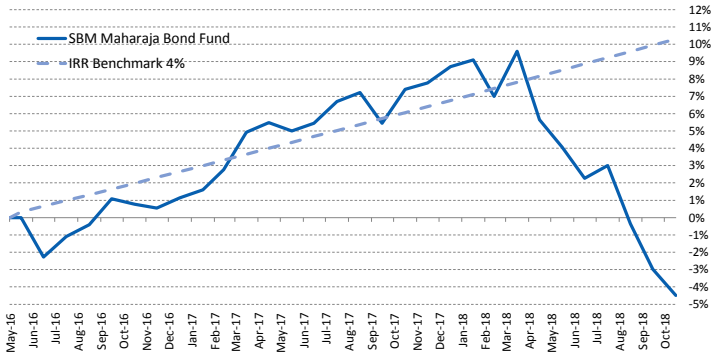
	1 M	3 M	6M	YTD	1 Y	Inception	Annualized
Fund	-1.5%	-7.3%	-9.6%	-12.1%	-11.1%	-4.5%	-1.8%
Benchmark	0.3%	1.0%	2.0%	3.3%	4.0%	10.3%	4.0%

Financial Year Return

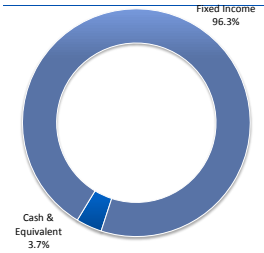
	2016*	2017	2018
Fund	-2.3%	7.9%	-3.0%
Benchmark	0.7%	4.0%	4.0%

**From Inception to June 16*

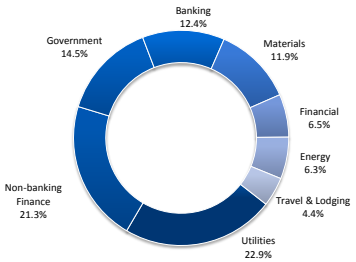
Cumulative Performance



Asset Allocation



Sector Allocation



Fund Manager Commentary

The Fund's NAV per share stood at USD 95.52 as at end of October 2018, posting a return of -1.5% while the benchmark returned 0.3% in USD terms.

The widening current account deficit (CAD) and ongoing global trade conflicts added to the weakening indian rupee - the INR depreciated by 2.0% against the USD in October. The CRISIL Composite Index, which measures the performance of investments in the fixed-income market, recorded a return of -0.8% in USD terms during the month. The US withdrew duty benefits on Indian exports worth USD 75 million. In the aftermath of IL&FS default, liquidity in corporate bonds especially of non-banking finance companies dried up on fears of contagion. This prompted investors to review the liquidity position of housing finance companies and other lenders to long-term projects.

Government bond prices ended higher with the yield on 10-year benchmark setting at 7.78% by end of October. The RBI kept policy rates unchanged at 6.50% at the start of the month. It also notified that it would extend the timing of the fixed rate repo auction under the liquidity adjustment facility (LAF) by one hour to provide participants with more flexibility for their daily liquidity management.

New data release surprised positively CPI inflation and trade deficit dip below market expectations. The latest CPI data showed a growth of 3.8% for the month ended September 2018 over last year against market estimates of 4%.

Investment options & Contact details

Lump Sum	Minimum USD 10,000	Telephone	202-1111 / 202-1701/ 202-1448
Address	SBM Mauritius Asset Managers Ltd	Fax	210-3369
	Level 12, Hennessy Tower	E-mail	sbm.assetm@sbmgroup.mu
	Pope Hennessy Street, Port Louis	Website	nbfc.sbmgroup.mu/sbmmam

Disclaimer: The information contained in this e-mail message, report, communication, letter, publication, and any attachment thereto, is strictly for information purposes only and is confidential and may not be disclosed without our express permission. It does not constitute an offer, or a solicitation of an offer, to purchase or sell any investment or other specific product by SBM Mauritius Asset Managers Ltd ("SBM MAM"). Although all information and opinions stated in this document are based on sources deemed to be reliable and in good faith, no representation or warranty, expressed or implied, is made or should be construed as to its accuracy and completeness. All information and views stated therein may be changed without any notification. The reader will bear in mind that certain services and products are subject to legal limitations and cannot be proposed on an unrestricted basis. Investors are reminded that past performance is not an indication of future performance. The price, value or income of the investment can go up or down. You are advised to consult your professional advisor before taking any decision or making an investment. SBM MAM disclaims all liability as regards any direct or consequential loss arising from any use of this message or the information contained therein.