

SBM Maharaja Bond Fund

31 January 2020

NAV per share

USD 107.56

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 12.5M |
| 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 |
|--|--------------|
| M&M Financial Services Ltd 06/06/2026 | 7.3% |
| Shriram Transport Finance Company Ltd 16/05/2020 | 7.3% |
| Reliance Utilities & Power Ltd 08/02/2024 | 6.2% |
| National Highway Authority of India 18/03/2022 | 6.1% |
| Haryana 8.14% 27/03/2028 | 6.1% |
| Andhra Bank Perpetual 05/08/2021 | 6.1% |
| Nuvoco Vistas Corp 14/09/2020 | 5.9% |
| TATA Steel Limited 01/10/2026 | 5.7% |
| U.P Power Corporation Ltd 15/02/2027 | 5.7% |
| Reliance Ports & Terminal Ltd 28/10/2026 | 5.6% |
| TOTAL | 61.8% |

Portfolio Composition

| | % Net Assets |
|--------------|---------------|
| SOV | 16.0% |
| AAA | 34.1% |
| AA | 25.7% |
| AA+ | 11.5% |
| AA- | 0.0% |
| A+ | 6.1% |
| Cash | 5.5% |
| D | 1.1% |
| TOTAL | 100.0% |

Key Metrics

| | |
|------------------------------|---------|
| Average Maturity | 4.6 yrs |
| Macaulay Duration | 3.5 yrs |
| Modified Duration | 3.4 yrs |
| Annualised Volatility (1 Yr) | 7.5% |
| Annualised Volatility (3 Yr) | 7.8% |

Investment options & Contact details

| | |
|----------|--|
| Lump Sum | Minimum USD 10,000 |
| Address | SBM Mauritius Asset Managers Ltd Level 12, Hennessy Tower Pope Hennessy Street, Port Louis |

Cumulative Return

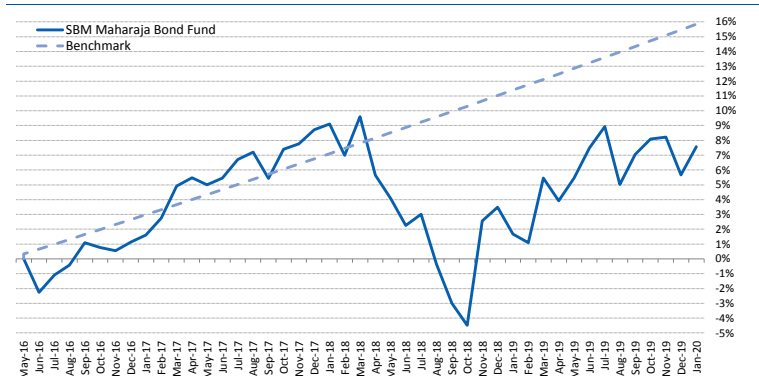
| | 1 M | 3 M | 6M | YTD | 1 Y | 3Y | Inception | Annualized |
|-----------|------|-------|-------|------|------|-------|-----------|------------|
| Fund | 1.8% | -0.5% | -1.3% | 1.8% | 5.8% | 5.9% | 7.6% | 2.0% |
| Benchmark | 0.3% | 1.0% | 2.0% | 0.3% | 4.0% | 12.5% | 15.8% | 4.0% |

Financial Year Return

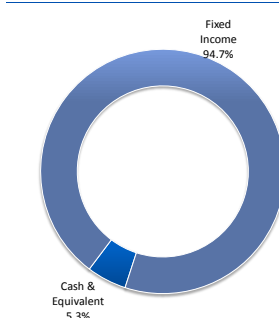
| | 2016* | 2017 | 2018 | 2019 |
|-----------|-------|------|-------|------|
| Fund | -2.3% | 7.9% | -3.0% | 5.1% |
| Benchmark | 0.7% | 4.0% | 4.0% | 4.0% |

*From Inception to June 16

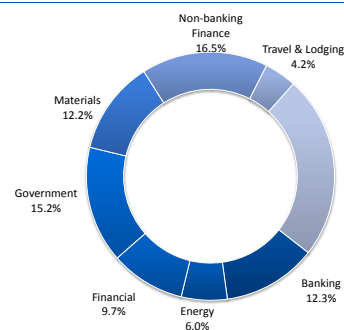
Cumulative Performance



Asset Allocation



Sector Allocation



Market Commentary

The Fund's NAV per share increased from USD 105.68 in December 2019 to USD 107.56 in January 2020, equivalent to a monthly performance of 1.8% against 0.3% for the benchmark. As a general indication of debt market movements, the CRISIL Composite Dollar Bond Fund Index which tracks the performance of government securities and AAA/AA rated corporate bonds, recorded a return of 0.4%.

Foreign Portfolio Investors ("FPIs") remained net buyers in the Indian capital market on easing geopolitical tensions between the US and Iran and the signing of the US-China "Phase one" trade agreement. FPIs, however, pulled out a net of INR 81 billion from the debt market in January.

Following sluggish growth figures in the third quarter of 2019, it was noted that manufacturing activity rebounded, expanding at its quickest pace in nearly eight years in January. The Purchasing Managers' Index (PMI) rose from 52.7 in December to 55.3 in January. Activity was supported by strengthening demand from external markets, as noted by the fastest increase in new export orders since November 2018. Inflationary pressures remained above the tolerance range of the Reserve Bank of India (RBI) with the Consumer Price Index (CPI) increasing from 7.4% in December to 7.6% in January, on account of higher food prices and telecom tariffs.

The yield on 10Y Government bond of India rose from 6.56% to 6.60% during the month on account of a higher-than-expected surge in inflation, dimming expectations of a rate cut in February.

On policy front, the RBI left policy repo rate under the liquidity adjustment facility (LAF) unchanged at 5.15% and the reverse repo rate under the liquidity adjustment facility (LAF) at 4.90% at the Monetary Policy Committee meeting held in December. The marginal standing facility (MSF) rate and the Bank Rate stood at 5.40%, respectively. The Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR) remained unchanged at 4.00% and 18.25%, respectively.

Liquidity surplus in the banking system liquidity stood around INR 3.46 trillion by the end of January mainly attributable to an increase in foreign currency reserves and deposit growth outpacing credit growth. The RBI highest daily liquidity absorption stood at INR 2.2 trillion by month end on a daily net average basis under the liquidity adjustment facility (LAF).

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