

SBM India Fund

31 July 2020

NAV per share (Class B)

USD 84.49

Fund Objective

The objective of the Fund is to generate long-term capital appreciation through investment in equity and equity-related instruments in India. The Fund adopts a multi-cap investment strategy and uses a combination of top-down and bottom-up approaches in its portfolio construction/risk management process.

Risk Profile



Fund Profile

Inception Date	Apr-12
Currency	USD
Fund Size	USD 3.6M
ISIN	MU0565S00012
Issue / Redemption	Daily
Distribution	None
Management Fee (Class B)	1.4% p.a
Entry Fee (Class B)	3.0%
Exit Fee (Class B)	1.0% in first year only
Performance fee (Class B)	18% p.a on excess return over benchmark

Fund Facts

Fund Manager	SBM Mauritius Asset Managers Ltd
Investment Advisor	Invesco Asset Management (India) Private Limited
Fund Administrator	SBM Fund Services Ltd
Registrar & Transfer Agency	SBM Fund Services Ltd
Custodian	IL&FS Securities Services Ltd
Auditors	Ernst & Young
Benchmark	S&P BSE 500

Top 10 Holdings

	% Net Assets
KRBL Ltd	11.1%
ICICI Bank Ltd	10.1%
Vardhman Textiles Ltd	8.6%
LUX Industries Ltd	8.3%
HCL Technologies Ltd	8.2%
ITC Ltd	8.1%
Coal India Ltd	6.1%
State Bank of India	5.6%
Shriram Transport Fin Co	4.9%
Century Plyboards(I) Ltd	4.8%
TOTAL	75.8%

Risk Adjusted Metrics

Sharpe Ratio	1Y	3Y	5Y
SBM India Fund	-0.6	-0.8	-0.4
S&P BSE 500	-0.2	-0.2	0.1

Annualised Volatility	1Y	3Y	5Y
SBM India Fund	49.0%	33.1%	29.0%
S&P BSE 500	36.6%	25.2%	23.0%

Fund vs Benchmark	1Y	3Y	5Y
Tracking error p.a.	15.1%	12.1%	10.1%
Correlation	97.9%	95.0%	95.1%
Beta	1.31	1.25	1.20
Regression Alpha	-1.7%	-1.8%	-1.2%

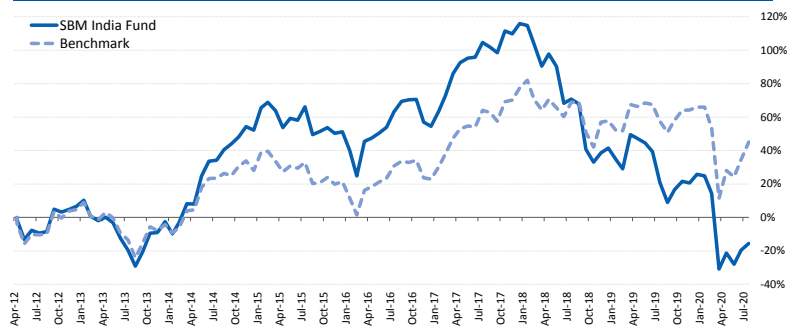
Cumulative Return

	1M	3M	6M	YTD	1Y	3Y	5Y	Inception	Annualized
SBM India Fund	5.2%	7.5%	-32.3%	-32.8%	-30.2%	-58.7%	-49.2%	-15.5%	-2.0%
S&P BSE 500	7.8%	13.3%	-12.5%	-12.6%	-7.8%	-11.5%	9.3%	45.2%	4.6%

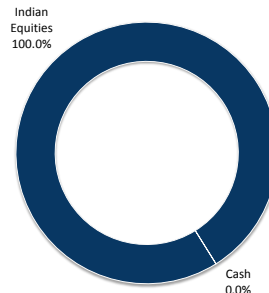
Financial Year Return

	2013	2014	2015	2016	2017	2018	2019	2020
SBM India Fund	-5.0%	52.5%	18.4%	-2.7%	27.3%	-14.1%	-17.1%	-42.4%
S&P BSE 500	1.1%	35.8%	5.0%	-4.6%	24.8%	4.1%	4.6%	-19.7%

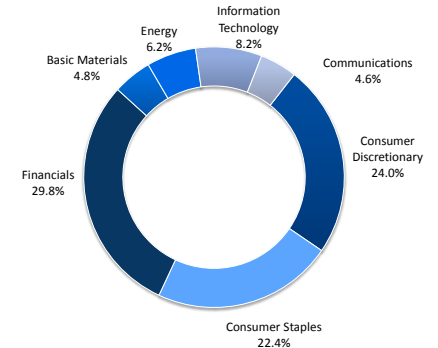
Cumulative Performance



Asset Allocation



Sector Allocation



Market Commentary

The Net Asset Value (NAV) of the Fund rose from USD 80.35 to USD 84.49 in July, registering a USD performance of 5.2% against 7.8% for S&P BSE 500 index.

Despite the increasing number of new Covid-19 cases in India and persisting tensions with China, the Indian economy witnessed rallying equities in July. Positive momentum in equities was driven by enhanced investor's confidence following hopes of additional government relief and strong financial results from some major local companies. Gains were made with the S&P BSE Large Cap, S&P BSE Small Cap and S&P BSE Mid Cap registering 8%, 5%, and 6% MoM respectively.

The IHS Markit Manufacturing Purchasing Managers' Index (PMI) marginally fell from 47.2 in June to 46.0 in July, pointing out to worsening operations in the manufacturing sector following contraction in output and new local as well as international orders. Manufacturing firms reacted to weaker demand through continued reduction in staff numbers causing the fastest reduction in workforce before the outbreak of the pandemic. In spite of the deteriorating business condition, improvement in business conditions over a one year period is expected backed by enhanced confidence towards future manufacturing activity.

Consumer price headline inflation increased from 6.09 % in June to 6.93% in July 2020 on the back of surging food prices and higher taxes on petroleum products. Consequently, the inflation rate breached the upper limit of RBI's medium term target of 4% within a band of +/- 2%. Food prices are expected to ease in the second half of the year following normal monsoon with plentiful harvests. The RBI projects continued contraction in GDP growth during the financial year 2021 due to severe disturbances in economic conditions caused by Covid-19.

At its MPC meeting held on 6 August 2020, the RBI kept the repo rate unchanged at 4% under the liquidity adjustment facility (LAF) in view of the elevating inflationary pressure and stressful economic outlook. Accordingly, the repo rate under marginal standing facility (MSF) and the Bank Rate were reduced to 4.25% as well as the cash reserve ratio (CRR) of net demand and time liabilities (NDTL) were maintained at 3.0%.

Investment options & Contact details

Lump Sum	Minimum amount of USD 100	Telephone	202-1111 / 202-3515 / 202-1260
Address	SBM Mauritius Asset Managers Ltd	Fax	210-3369
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	Pope Hennessy Street, Port Louis	Website	nbfc.sbmgroup.mu/mam

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