

SBM India Fund

30 October 2020

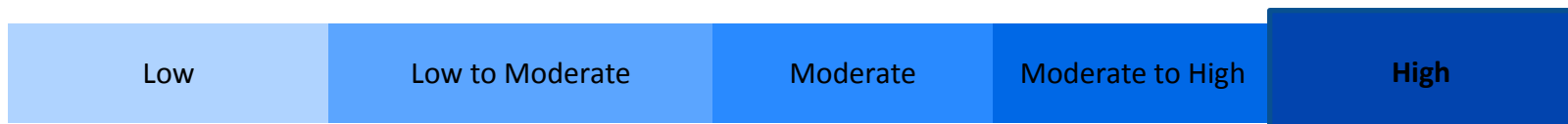
NAV per share (Class B)

USD 96.31

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 4.2M
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	Deloitte
Benchmark	S&P BSE 500

Top 10 Holdings

	% Net Assets
ICICI Bank Ltd	9.9%
HCL Technologies Ltd	8.5%
Reliance Industries Ltd	5.1%
HDFC Bank Ltd	4.9%
Infosys Technologies Ltd	4.1%
Vardhman Textiles Ltd	3.5%
KRBL Ltd	2.7%
LUX Industries Ltd	2.7%
Axis Bank Ltd	2.4%
Bharti Airtel Ltd	2.4%
TOTAL	46.2%

Risk Adjusted Metrics

Sharpe Ratio	1Y	3Y	5Y
SBM India Fund	-0.4	-0.7	-0.3
S&P BSE 500	-0.2	-0.1	0.2

Annualised Volatility	1Y	3Y	5Y
SBM India Fund	49.3%	33.9%	29.3%
S&P BSE 500	36.3%	25.0%	22.7%

Fund vs Benchmark	1Y	3Y	5Y
Tracking error p.a.	16.6%	13.1%	10.8%
Correlation	97.0%	94.5%	94.6%
Beta	1.32	1.28	1.22
Regression Alpha	-0.9%	-1.7%	-1.1%

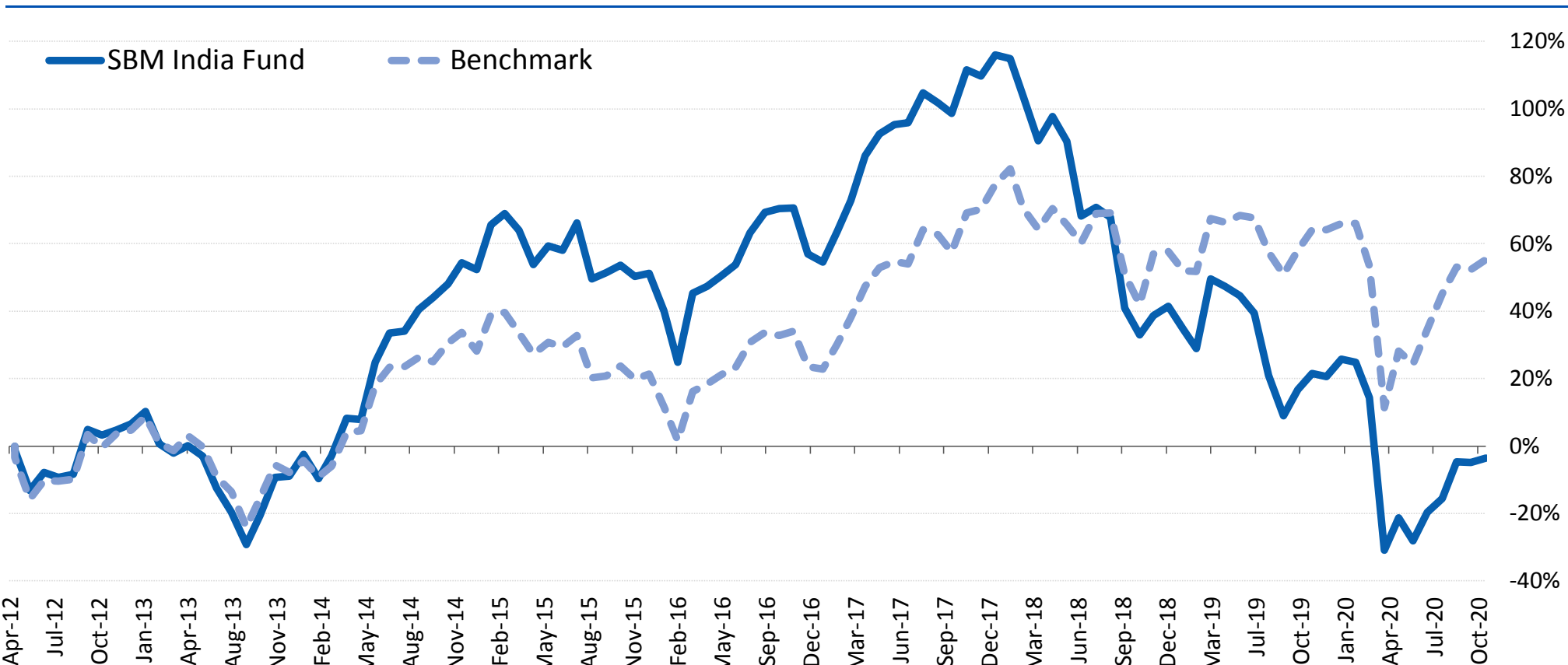
Cumulative Return

	1M	3M	6M	YTD	1Y	3Y	5Y	Inception	Annualized
SBM India Fund	1.3%	14.0%	22.5%	-23.4%	-20.7%	-54.5%	-37.3%	-3.7%	-0.4%
S&P BSE 500	2.0%	7.0%	21.2%	-6.5%	-5.4%	-8.2%	25.5%	55.3%	5.3%

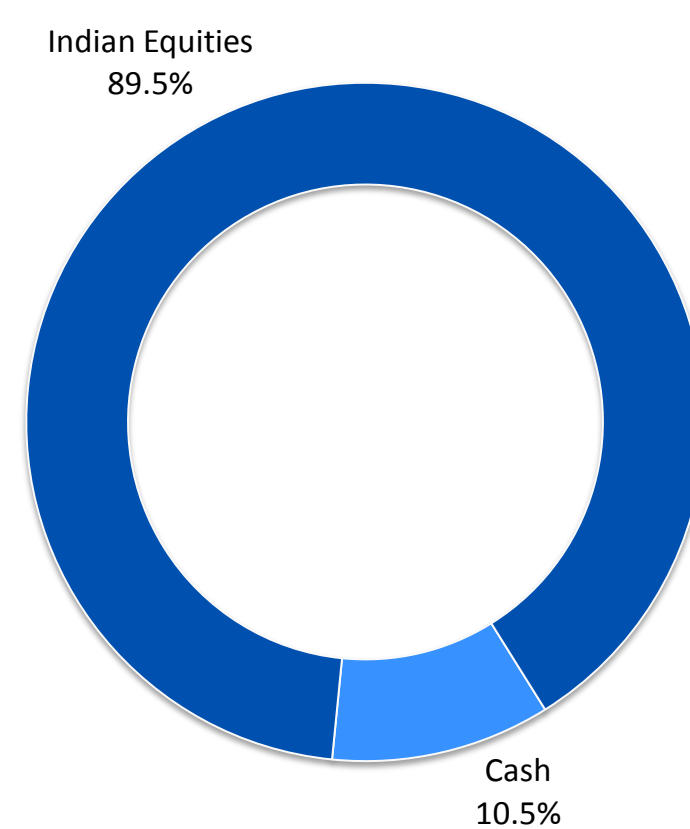
Financial Year Return

	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%

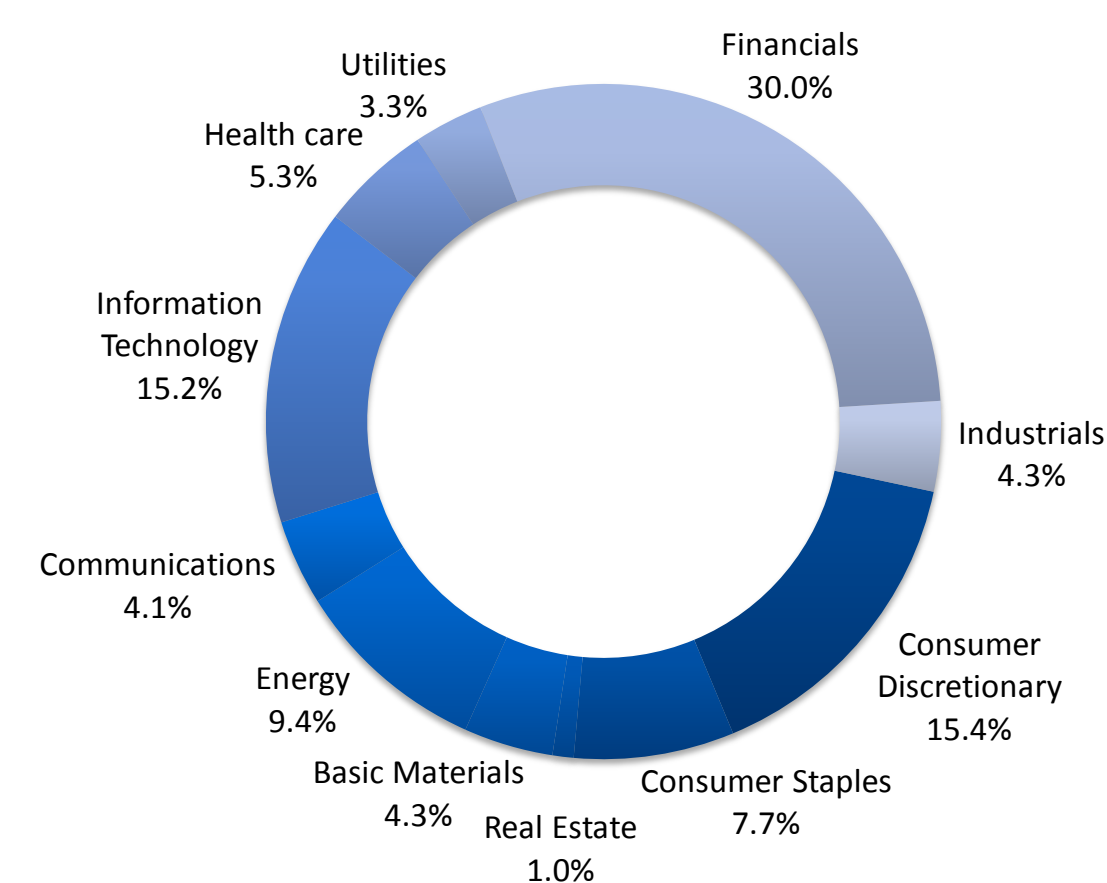
Cumulative Performance



Asset Allocation



Sector Allocation



Market Commentary

The Net Asset Value per share (NAV) of the Fund increased from USD 95.09 to USD 96.31 in October, registering a USD performance of 1.3% against 2.0% for S&P BSE 500 index. The main leading movers, that is, companies which contributed to the positive performance of the portfolio were Himatsingka Seide Ltd (38.3%), ICICI Bank Ltd (10.2%), HDFC Bank Ltd (9.2%) while on the downside, the main lagging movers were KRBL Ltd (-12.1%), Reliance Industries Ltd (-8.5%) and Vardhman Textiles Ltd (-4.9%).

Investor confidence was principally driven by expectations of a Covid-19 vaccine and optimism regarding the US stimulus package. The top sectors that drove the positive performance of the S&P BSE 500 index during October were information technology (+6.5%), financials (+6.1%) and materials (+4.6%). S&P BSE Energy was the biggest sectoral decliner during the month, registering a return of -6.4%.

Manufacturing activity improved for the third consecutive month with the IHS Markit Manufacturing Purchasing Managers' Index (PMI) reaching a thirteen year high, increasing to 58.9 from 56.8 in the previous month. Manufacturing conditions were supported by strong growth in sales following easing of pandemic-related restrictions, robust demand and favorable market conditions.

Real GDP contracted by 23.9% YoY in the quarter June 2020 but high frequency indicators signaled improvements in August which continued to strengthen through October 2020. The RBI projects the economy to contract by -9.5% in FY21, with risks tilted to the downside. For FY22, the central bank expects economic growth to rebound by 10.1%.

Headline inflation increased by 0.3 percentage points from 7.3% in September to 7.6% in October, reaching its highest level since May 2014. The surge in the general price level can be mainly attributed to higher food prices with the consumer food price index increasing by 11.1% in October against a reading of 10.7% in the previous month. Consequently, the inflation rate breached the upper tolerance band of RBI's medium term target of 4% within a range of +/- 2%.

At its MPC meeting held on 9 October 2020, the RBI unanimously decided to keep the repo rate unchanged at 4.0% under the liquidity adjustment facility (LAF). Accordingly, the repo rate under marginal standing facility (MSF) and the Bank Rate of 4.25% and the cash reserve ratio (CRR) of net demand and time liabilities (NDTL) of 3.0% were also maintained.

Investment options & Contact details

Lump Sum	Minimum amount of USD 100	Telephone	202-1111 / 202-3515 / 202-1260
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