

# SBM Maharaja Bond Fund

30 October 2020

NAV per share

USD 110.47

## 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



## Fund Profile

Inception Date	May-16
Multi-Class Vehicle Fund	SBM Maharaja Fund
Currency	USD
Fund Size	USD 12.6M
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	Deloitte
Banker	SBM Bank (Mauritius) Ltd
Investment Advisor	Invesco Asset Management (India) Private Limited

## Top 10 Holdings

	% Net Assets
Government of India bond 15/05/2027	17.3%
M&M Financial Services Ltd 06/06/2026	7.0%
Reliance Utilities & Power Ltd 08/02/2024	6.2%
Haryana 8.14% 27/03/2028	6.0%
National Highway Authority of India 18/03/2022	5.9%
Reliance Ports & Terminal Ltd 28/10/2026	5.7%
IDFC Infra Bond 7.98% 23/05/2023	5.7%
Andhra Bank Perpetual 05/08/2021	5.6%
TATA Steel Limited 01/10/2026	5.6%
U.P Power Corporation Ltd 15/02/2027	5.5%
<b>TOTAL</b>	<b>70.5%</b>

## Portfolio Composition

	% Net Assets
SOV	33.9%
A+	5.7%
AA	19.5%
AA+	4.1%
AAA	32.8%
AA-	0.0%
D	0.0%
Cash	4.0%
<b>TOTAL</b>	<b>100.0%</b>

## Key Metrics

Average Maturity	5.2 yrs
Macaulay Duration	4.1 yrs
Modified Duration	3.9 yrs
Annualised Volatility (1 Yr)	7.0%
Annualised Volatility (3 Yr)	8.3%

## Cumulative Return

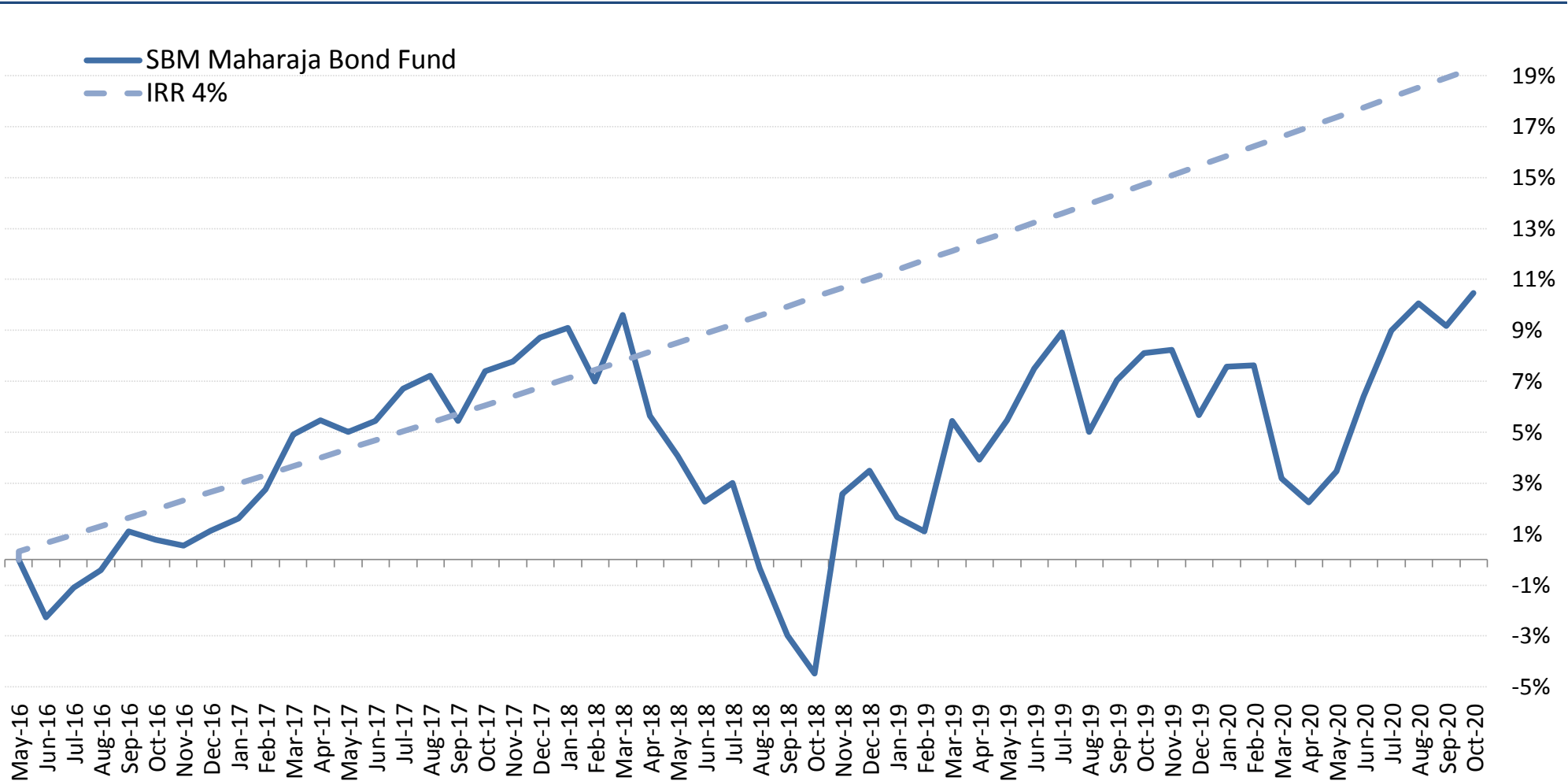
	1M	3M	6M	YTD	1Y	3Y	Inception	Annualized
Fund	1.2%	1.3%	8.1%	4.5%	2.2%	2.9%	10.5%	2.2%
IRR 4%	0.3%	1.0%	2.0%	3.3%	4.0%	12.5%	19.3%	4.0%

## Financial Year Return

	2016*	2017	2018	2019	2020
Fund	-2.3%	7.9%	-3.0%	5.1%	-1.0%
IRR 4%	0.7%	4.0%	4.0%	4.0%	4.0%

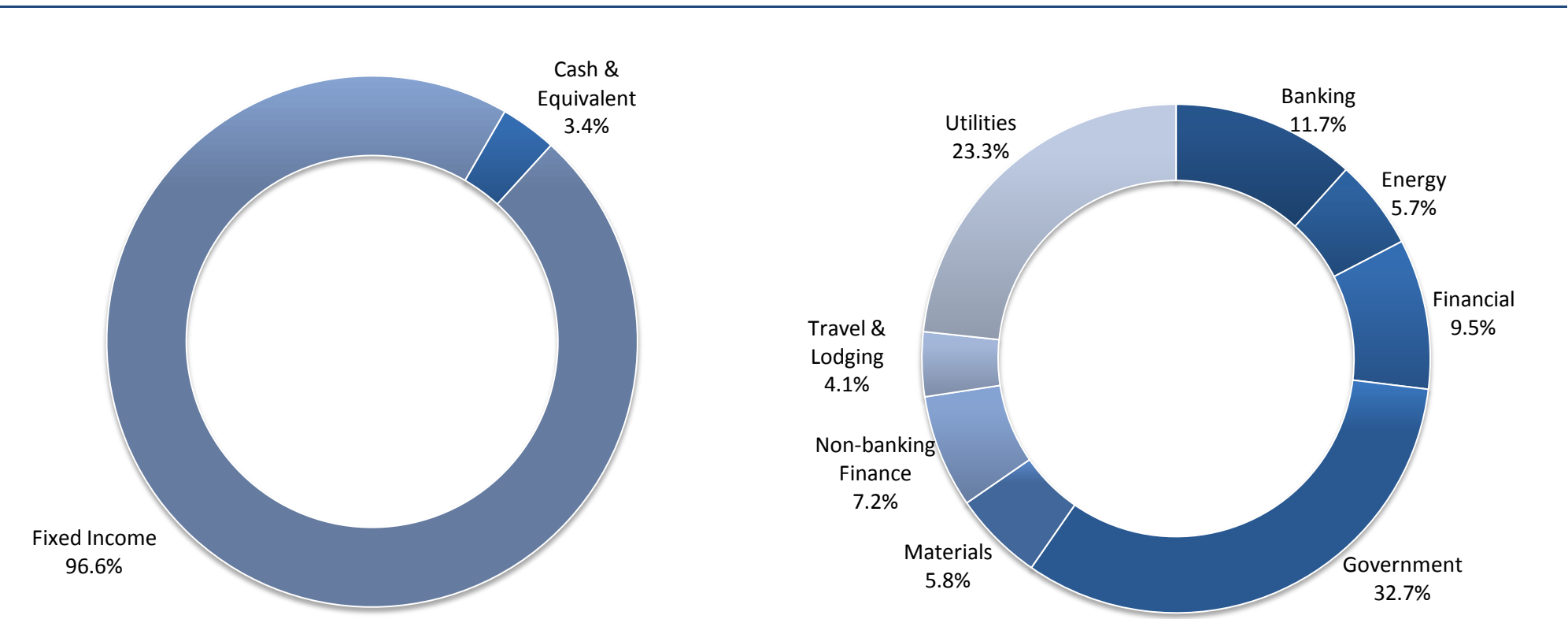
*\*From Inception to June 16*

## Cumulative Performance



## Asset Allocation

## Sector Allocation



## Market Commentary

The Fund's Net Asset Value per share (NAV) increased from USD 109.17 in September 2020 to USD 110.47 in October 2020, equivalent to a performance of 1.2% against 0.3% for the target.

As a general indication of debt market movements in India, the CRISIL Composite Dollar Bond Fund Index which tracks the performance of government securities and AAA/AA rated corporate bonds, posted a return of 1.5%.

The yield on 10Y government bonds fell by 13bps from 6.01% in September to 5.88% in October 2020. The increase in demand for bonds can be mainly attributed to the RBI's announcement that it would double its bond purchase auction for the financial year to INR 200 billion.

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 to 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 USD 10,000	Telephone	202-1111 / 202-3515/ 202-1260
Address	SBM Mauritius Asset Managers Ltd	Fax	210-3369
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