

SBM India Fund

31 May 2021

NAV per share (Class B) **USD 131.13**

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

Low	Low to Moderate	Moderate	Moderate to High	High
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Fund Profile

Inception Date	Apr-12
Currency	USD
Fund Size	USD 5.8M
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	8.9%
HDFC Bank Ltd	7.4%
Infosys Technologies Ltd	6.5%
Axis Bank Ltd	4.7%
Tata Steel Limited	4.4%
Reliance Industries Ltd	4.4%
UltraTech Cement Ltd	3.5%
State Bank Of India	3.5%
Sun Pharmaceuticals Industries Ltd	3.4%
Ashok Leyland Ltd	2.9%
TOTAL	49.6%

Risk Adjusted Metrics

Sharpe Ratio	1Y	3Y	5Y
SBM India Fund	4.5	-0.3	-0.1
S&P BSE 500	4.8	0.4	0.6

Annualised Volatility	1Y	3Y	5Y
SBM India Fund	18.4%	35.4%	28.8%
S&P BSE 500	15.9%	26.4%	22.3%

Fund vs Benchmark	1Y	3Y	5Y
Tracking error p.a.	9.2%	13.1%	10.7%
Correlation	86.5%	95.1%	94.5%
Beta	1.00	1.27	1.22
Annualised Alpha	3.7%	-19.9%	-14.7%

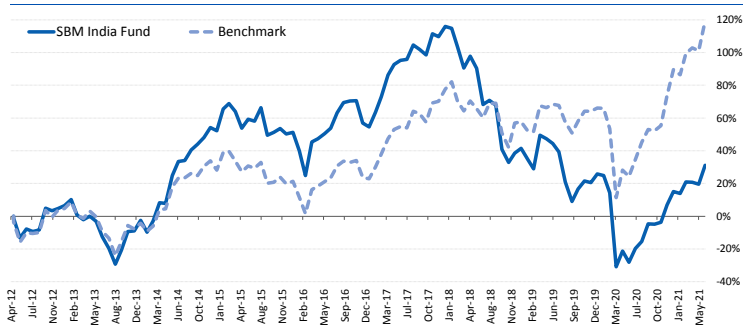
Cumulative Return

	1M	3M	6M	YTD	1Y	3Y	5Y	Inception	Annualized
SBM India Fund	9.7%	8.4%	22.7%	13.8%	82.3%	-31.1%	-12.9%	31.1%	3.0%
S&P BSE 500	9.1%	10.0%	26.3%	15.8%	76.6%	32.4%	81.0%	119.4%	8.9%

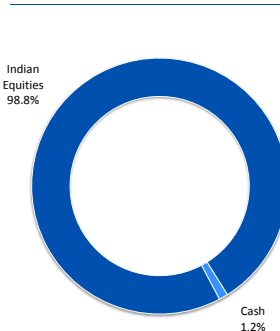
Financial Year Return

	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%

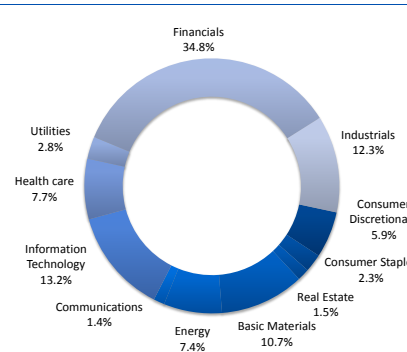
Cumulative Performance



Asset Allocation



Sector Allocation



Market Commentary

The Net Asset Value per share (NAV) of the Fund increased from USD 119.58 to USD 131.13 in May, equivalent to a USD performance of 9.7% against 9.1% for S&P BSE 500 index.

The main leading movers, that is, companies which contributed positively to the performance of the portfolio were State Bank of India (+22.5%), ICICI Bank Ltd (+12.5%) and HDFC Bank Ltd (+9.5%) while on the downside, the main lagging mover was TVS Motor Company Ltd (-0.5%).

The equity market posted gains amid the falling number of Covid-19 cases and positive global cues including improved U.S. job data as well as easing inflation worries. Gains were capped as investors exercised caution with regards to the Federal Reserve's possible pull back of its asset-purchase program. The top performing sectors within the S&P BSE 500 index were Financials (+7.6%), Materials (+8.1%) and Consumer Discretionary (+9.3%).

During the month, the manufacturing sector faced significant loss in growth momentum amid a pandemic-led slowdown in output. The IHS Markit Manufacturing Purchasing Managers' Index (PMI) slid from 55.5 in April to 50.8 in May. Despite firms scaling up production volumes, the pace of expansion was the slowest in the current ten-month period of growth. Supply disruptions in raw materials further weighed on input cost of manufacturing firms.

The United Nation revised its economic growth forecast to 7.5% for the year against its previous projection of 7.3% in January. The report highlighted that India's growth outlook for 2021 remains fragile amid the second wave of Covid-19 and the unequal distribution of vaccines. Retail inflation in India jumped to a six-month high of 6.30% in May from 4.29% in April mainly due to higher commodity and fuel prices. The indicator breached the RBI's target of maintaining retail inflation at 4% with a margin of 2% on either side. Inflation is expected to further rise on account of rising crude prices and surging commodity prices.

In May, no MPC meeting was held such that the repo rate remained unchanged at 4.0% under the liquidity adjustment facility (LAF). 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
Address	SBM Mauritius Asset Managers Ltd	Fax	210-3369
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