Factsheet October 2021

# SBM India Fund

NAV per share **USD 143.33** (Class B)

SBM Mauritius Asset Managers Ltd

## Investment objective

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

## Fund facts

**Investment Manager:** SBM Mauritius Asset Managers Ltd
**Fund Administrator:** SBM Fund Services Ltd
**Registry and Transfer Agent:** SBM Fund Services Ltd
**Custody:** IL&FS Securities Services Ltd
**Auditor:** Deloitte Mauritius
**Investment Advisor:** Invesco Asset Management (India) Private Limited
**Benchmark:** S&P BSE500 Index
**Distribution:** None
**Investor profile:** Aggressive

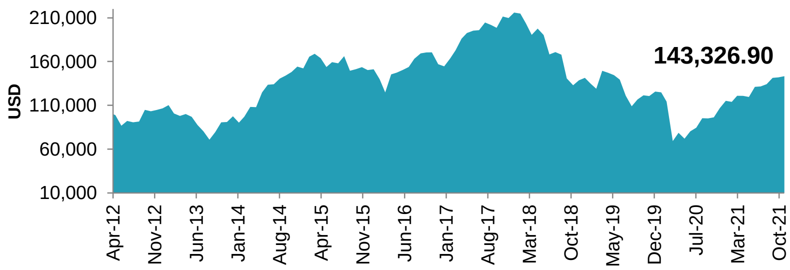
**Inception date:** 18 Apr 2012
**Fund size:** USD 6.4M
**ISIN:** MU0565S00012
**Base currency:** USD
**Minimum one-off investment:** USD 100 (Class B) | USD 100,000 (Class A)
**Management fee:** 1.40% p.a.
**Entry fee:** 3.00%
**Exit fee:** 1% in first year | Nil after 1 year
**Performance fee:** 18% p.a on excess return over benchmark

## Performance

| Period | 1M | 3M | YTD | 1Y | 3Y | 5Y | Launch | Annualised | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Fund | 1.0% | 6.8% | 24.4% | 48.8% | 7.8% | -16.0% | 43.3% | 3.8% | 63.8% | -42.4% | -17.1% | -14.1% | 27.3% | -2.7% |
| Benchmark | -0.6% | 9.6% | 27.9% | 56.1% | 70.7% | 80.7% | 142.4% | 9.7% | 62.3% | -19.7% | 4.6% | 4.1% | 24.8% | -4.6% |

Note: Fund performance is calculated on indicative NAV to NAV. The performance of the index is based on the S&P BSE500 Index (USD). Past performance is not indicative of future results. The benchmark return is computed in USD terms. Annual returns are for the financial year of the Fund, that is, June.

## Growth of USD 100,000 since inception




## Fund statistics

| Period | 1Y | 3Y | 5Y | Launch |
|---|---|---|---|---|
| Correlation | 0.96 | 0.95 | 0.94 | 0.95 |
| Regression alpha | 1.51 | -16.44 | -15.19 | -5.65 |
| Beta | 0.86 | 1.25 | 1.21 | 1.13 |
| Annualised volatility | 14.9% | 33.3% | 28.8% | 26.4% |
| Annualised tracking error | 4.7% | 12.4% | 10.7% | 9.1% |

Relative metrics such as alpha, beta and tracking error are computed against the composite index.

## Asset allocation

| Asset class | % Fund |
|---|---|
| Indian Equities | 95.6% |
| Cash | 4.4% |
| **Total** | **100.0%** |

| Geography | % Fund |
|---|---|
| India | 100.0% |
| **Total** | **100.0%** |

| Top currency | % Fund |
|---|---|
| Indian Rupee | 98.1% |
| US Dollar | 1.9% |
| **Total** | **100.0%** |

| Sector | % Fund |
|---|---|
| Financials | 29.7% |
| Industrials | 15.6% |
| Information Technology | 11.7% |
| Basic Materials | 7.6% |
| Energy | 6.8% |
| Health care | 6.8% |
| Utilities | 6.4% |
| Consumer Discretionary | 6.2% |
| Communications | 2.3% |
| Real Estate | 1.5% |
| Consumer Staples | 1.0% |
| **Total** | **95.6%** |

| Market capitalisation | % Fund |
|---|---|
| Large | 71.9% |
| Mid | 8.4% |
| Small | 15.2% |
| **Total** | **95.6%** |

## Asset allocation (continued)

| Top 10 holdings | Sector | % Fund |
|---|---|---|
| ICICI Bank Ltd | Financials | 8.5% |
| HDFC Bank Ltd | Financials | 7.0% |
| Infosys Technologies Ltd | Information Technology | 5.8% |
| State Bank Of India | Financials | 4.4% |
| Reliance Industries Ltd | Energy | 4.3% |
| Axis Bank Ltd | Financials | 3.8% |
| Sun Pharmaceuticals Industries Ltd | Health Care | 3.7% |
| UltraTech Cement Ltd | Basic Materials | 3.5% |
| Larsen & Toubro Ltd | Industrials | 3.5% |
| Tata Power Company Ltd | Utilities | 3.4% |
| **Total** | | **47.9%** |

## Market comments

The Net Asset Value per share (NAV) of the Fund increased from USD 141.97 to USD 143.33 in October, equivalent to USD performance of 1.0% against -0.6% for S&P BSE 500 index. The main leaders, that is, companies which contributed positively to the performance of the portfolio were ICICI Bank Ltd (+13.5%), Tata Power Company Ltd (+33.9%) and State Bank of India (+9.9%) while the main laggards were HCL Technologies Ltd (-11.4%), Indraprastha Gas Ltd (-11.9%) and Axis Bank Ltd (-4.0%).

Morgan Stanley downgraded Indian equities to equal-weight from overweight, citing expensive valuations and concerns over potential short-term uncertainties, leading to major equity sell-offs among foreign institutional investors. Supply chains disruptions, concerns surrounding China's Evergrande debt crisis and slower economic growth in the United States and Europe owing to the rapid spread of Delta variant dented market sentiment and further pulled down the equity market.

The IHS Markit Manufacturing Purchasing Managers' Index (PMI) surged from 53.7 in September to 55.9 in October reflecting continuous increase in new orders following enhanced market confidence, increasing demand and effective marketing. Improvement in the overall operating conditions was strong and the fastest since February 2021 and the upturn in factory output was the sharpest since March 2021. Cost pressures, however, continued to accelerate in line with global raw material supply disruptions.

The International Monetary Fund (IMF) retained India's growth projection at 9.5% for FY 2021-22 after having downgraded the growth rate by 3 percentage points from 12.5% in July, on account of the severe second Covid-19 wave. The projection is similar to the growth forecast made by the Reserve Bank of India (RBI) in its latest monetary policy committee (MPC) meeting held in October. The IMF projects the Indian economy to grow by 8.5% in FY 2022-23.

At its MPC meeting on 8 October, the RBI left the repo rate unchanged at 4.0% under the liquidity adjustment facility (LAF). Consequently, 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 4.0% were also maintained. The MPC unanimously voted to keep the policy rate unchanged for the eighth consecutive time while maintaining its accommodative stance and ensuring that inflation remains within target.

## Contact

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For price updates on this fund, please see: https://nbfc.sbmgroup.mu/asset-management