

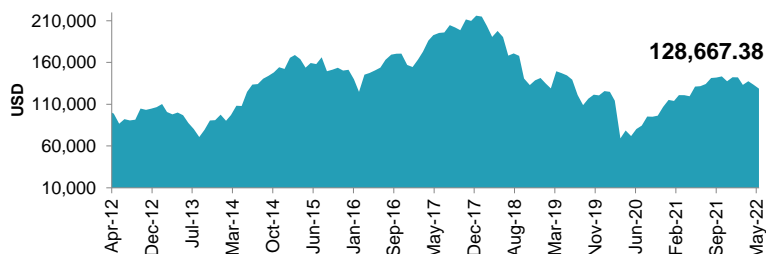
**SBM India Fund**NAV per share **USD 128.67** (Class B)**Investment objective**

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 5.7M**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	-3.5%	-3.4%	-9.6%	-1.9%	-11.0%	-34.1%	28.7%	2.5%	63.8%	-42.4%	-17.1%	-14.1%	27.3%	-2.7%
Benchmark	-6.0%	-4.0%	-9.5%	-0.1%	30.2%	41.7%	119.3%	8.0%	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	0.92	0.96	0.94	0.94
Regression alpha (%)	-1.83	-16.12	-16.81	-10.42
Beta	0.81	1.24	1.20	1.13
Annualised volatility	12.1%	32.3%	28.4%	25.9%
Annualised tracking error	5.3%	11.3%	10.8%	8.9%

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

**Asset allocation**

Asset class	% Fund	Geography	% Fund	Top currency	% Fund
Indian Equities	94.2%	India	100.0%	Indian Rupee	99.0%
Cash	5.8%	<b>Total</b>	<b>100.0%</b>	US Dollar	1.0%
<b>Total</b>	<b>100.0%</b>			<b>Total</b>	<b>100.0%</b>

Sector	% Fund	Market capitalisation	% Fund
Financials	31.8%	Large	73.6%
Industrials	11.7%	Mid	8.4%
Information Technology	10.8%	Small	12.2%
Basic Materials	6.0%	<b>Total</b>	<b>94.2%</b>
Energy	4.8%		
Health care	6.4%		
Utilities	4.0%		
Consumer Discretionary	11.4%		
Communications	1.7%		
Real Estate	0.9%		
Consumer Staples	4.8%		
<b>Total</b>	<b>94.2%</b>		

**Asset allocation (continued)**

<b>Top 10 holdings</b>	<b>Sector</b>	<b>% Fund</b>
ICICI Bank Ltd	Financials	8.5%
HDFC Bank Ltd	Financials	7.0%
Infosys Technologies Ltd	Information Technology	5.5%
State Bank Of India	Financials	4.2%
Reliance Industries Ltd	Energy	3.6%
Sun Pharmaceuticals Industries Ltd	Health Care	3.6%
Larsen & Toubro Ltd	Industrials	2.9%
Maruti Suzuki India Ltd	Consumer Discretionary	2.8%
Axis Bank Ltd	Financials	2.7%
Tech Mahindra Ltd	Information Technology	2.6%
<b>Total</b>		<b>43.4%</b>

**Market comments**

The Net Asset Value per share (NAV) of the Fund fell from USD 133.38 to USD 128.67 in May, equivalent to USD performance of -3.5% against -6.0% for S&P BSE 500 index. The main leaders, that is, companies which contributed positively to the performance of the portfolio were Mahindra & Mahindra Ltd (+10.4%), AIA Engineering Ltd (+15.7%) and Hindustan Unilever Ltd (+3.7%) while the main laggards were Sun Pharmaceuticals Industries (-8.8%), Infosys Technologies Ltd (-5.6%) and State Bank Of India (-7.1%).

Indian equities extended the previous month's losses amid adverse impacts caused by the Russia-Ukraine crisis, increased sell-offs by Foreign Portfolio Investors and lingering supply chain disruptions. In addition, monetary policy tightening by the US Federal Reserve and the global economic uncertainty worsened market sentiment. All of the BSE500 sectors posted negative performances during the month with main sector decliners being Communication, Materials and Consumer staples which posted respective MoM returns of -7.5%, -13.0% and -12.2%.

Operating conditions in the Indian manufacturing sector continued to show signs of improvement during the month, though at a slower rate. The S&P Global India Purchasing Managers' Index (PMI) marginally declined from 54.7 in April to 54.6 in May. Despite the high selling prices, demand remained strong with marked increases reported in new orders. However, manufacturers continued to incur elevated input costs in the face of inflationary pressures, dampening business sentiment.

Morgan Stanley lowered its FY 2022-23 estimates for India's economic growth by 30 bps to 7.6% and pegged the growth rate for FY 2023-24 at 6.7%. The downward revision is mainly in view of surging oil prices and weak domestic demand which are expected to weigh on the economic growth of India – the world's third largest oil importer. The Reserve Bank of India (RBI) retained its growth forecast for FY 2022-23 at 7.2% consisting of 16.2% in Q1, 6.2% in Q2, 4.1% in Q3 and 4.0% in Q4 due to the surging price level and the global supply chain disruptions.

Retail inflation eased to 7.71% in May from its 8-year high of 7.79% seen in April, but stayed above the upper tolerance limit of the Reserve Bank of India (RBI) for the fifth consecutive time. The decrease was on account of favorable base effect, which more than cancelled out the increases in food prices, and also lower fuel prices after the Indian government trimmed taxes on essential commodities and fuel.

At its MPC meeting held in May, the RBI decided to increase the repo rate under the liquidity adjustment facility (LAF) by 40 bps to 4.40%, marking the first rate hike after August 2018. Consequently, the repo rate under marginal standing facility (MSF) and the Bank Rate were adjusted to 4.65%. The cash reserve ratio (CRR) of net demand and time liabilities (NDTL) was raised by 50 bps to 4.50%. The decision was made in line with the objective of achieving the medium-term target inflation rate of 4% within a band of +/- 2%.

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E-mail: [sbm.assetm@sbmgroup.mu](mailto:sbm.assetm@sbmgroup.mu)For price updates on this fund, please see: <https://nbfc.sbmgroup.mu/asset-management>**Important notes**

Unless otherwise specified, all information contained in this document is as at the factsheet date. Investment involves risks; Past performance is not indicative of guaranteeing the same future results as market conditions may fluctuate thereby affecting the investment return and thus strict reliance on such past performances shall not be relied upon by the investor to make any investment decision. Investors may additionally resort to an independent third party or independent legal advisor before making any investment decision. Investment involves risk, that includes the possible loss of principal. Asset allocation and diversification do not ensure a profit or protect against a loss.

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