

SBM India Fund

NAV per share **USD 130.24** (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 5.8M

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

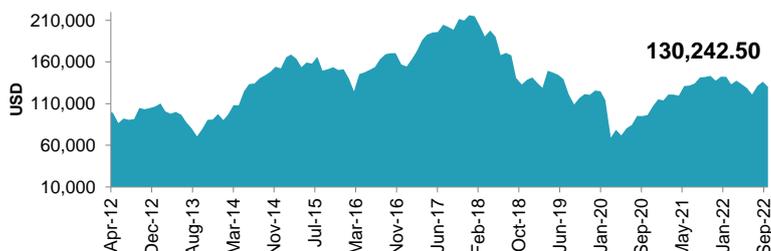
Performance fee: 18% p.a on excess return over benchmark

Performance

Period	1M	3M	YTD	1Y	3Y	5Y	Launch	Annualised	2022	2021	2020	2019	2018	2017
Fund	-4.4%	7.6%	-8.5%	-8.3%	11.6%	-34.4%	30.2%	2.5%	-8.0%	63.8%	-42.4%	-17.1%	-14.1%	27.3%
Benchmark	-5.5%	7.6%	-9.3%	-9.9%	39.1%	39.6%	119.9%	7.8%	-6.5%	62.3%	-19.7%	4.6%	4.1%	24.8%

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	0.97	0.96	0.94	0.95
Regression alpha (%)	0.69	-11.36	-16.26	-9.90
Beta	0.91	1.17	1.19	1.12
Annualised volatility	16.1%	31.1%	28.8%	25.7%
Annualised tracking error	4.2%	10.0%	10.7%	8.8%

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	94.8%	India	100.0%	Indian Rupee	99.0%
Cash	5.2%	Total	100.0%	US Dollar	1.0%
Total	100.0%			Total	100.0%

Sector	% Fund	Market capitalisation	% Fund
Financials	29.7%	Large	73.0%
Industrials	11.4%	Mid	13.0%
Information Technology	9.5%	Small	8.8%
Basic Materials	7.8%	Total	94.8%
Energy	4.9%		
Health care	6.8%		
Utilities	3.3%		
Consumer Discretionary	12.6%		
Communications	1.8%		
Real Estate	1.0%		
Consumer Staples	6.0%		
Total	94.8%		

Asset allocation (continued)

Top 10 holdings	Sector	% Fund
ICICI Bank Ltd	Financials	8.2%
HDFC Bank Ltd	Financials	7.2%
Infosys Technologies Ltd	Information Technology	5.5%
Reliance Industries Ltd	Energy	4.2%
State Bank Of India	Financials	3.8%
Sun Pharmaceuticals Industries Ltd	Health Care	2.7%
ITC Ltd	Consumer Staples	2.5%
Larsen & Toubro Ltd	Industrials	2.5%
NTPC Limited	Utilities	2.3%
Axis Bank Ltd	Financials	2.3%
Total		41.2%

Market comments

The Net Asset Value per share (NAV) of the Fund fell from USD 136.27 to USD 130.24 in September, equivalent to a USD performance of -4.4% against -5.5% for S&P BSE 500 index. The main leaders, that is, companies which contributed positively to the performance of the portfolio were Ambuja Cements Ltd (+22.5%), Indian Hotels Co Ltd (+13.5%) and Bharti Airtel (+7.5%) while the main laggards were Reliance Industries Ltd (-12.0%), HDFC Bank Ltd (-6.6%) and Infosys Technologies Ltd (-7.5%).

Indian equity indices snapped two consecutive months of gains as the continued hawkish stance of major central banks intensified fears of a global recession. In addition, foreign fund outflows, owing to a strong US Dollar and concerns over economic growth slowdown, further weighed on the equity market. All BSE500 sectors registered negative performances with top losers being Financials, Energy and Information Technology which posted respective MoM returns of -5.3%, -11.0% and -7.0%.

Operating conditions in the Indian manufacturing sector continued to improve, albeit at a slower rate. The S&P Global India Purchasing Managers' Index (PMI) stood at 55.1 in September against 56.2 in August. The sector benefitted from greater domestic as well as international demand, new business growth and expanded operating capacities. Business sentiment improved for the third consecutive month amid successful marketing efforts and as input costs rose at the slowest pace since October 2020.

The IMF revised down India's GDP growth projection for FY2022-23 by 0.6 percentage points to 6.8% due to subdued external demand and a weaker second quarter output. The World Bank also slashed its growth estimate to 6.5% from an earlier projection of 7.5%, citing that geopolitical tensions, tightened global monetary policy and constrained private investment are likely to weigh on economic activity. Further, the Reserve Bank of India (RBI) lowered its growth forecast for FY2022-23 by 0.2 percentage points to 7.0%; consisting of 13.5% in Q1 (Actual), 6.3% in Q2, 4.6% in Q3 and 4.6% in Q4.

Retail inflation accelerated to a five-month high of 7.41% YoY in September against an earlier reading of 7.0%. The surge was primarily driven by persistently high food prices. Inflation remained above the central bank's upper tolerance limit of 6% for the ninth month in a row. Further rate increases by the RBI is expected at its next Monetary Policy Committee (MPC) scheduled in December.

At its MPC meeting held on 30 September, the RBI hiked the repo rate under the liquidity adjustment facility (LAF) by 50bps to 5.90%. Consequently, the repo rate under marginal standing facility (MSF) and the Bank Rate were adjusted to 6.15%. The cash reserve ratio (CRR) of net demand and time liabilities (NDTL) was maintained at 4.50%. The RBI reiterated its commitment to combat inflationary pressures amid improving domestic economic activity, festive season demand and sticky core inflation.

Contact

SBM Mauritius Asset Managers Ltd

Level 11, Hennessy Tower

Pope Hennessy Street

Port Louis

Tel: (+230) 202 11 11 | 202 17 35 | 202 46 42

Fax: (+230) 210 33 69

E-mail: sbm.assetm@sbmgroup.muFor 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.

SBM Mauritius Asset Managers Ltd ("SBM MAM") believes that the information which may be viewed in this document is reasonably accurate as at the date of publication, but does not guarantee the accuracy of the data and disclaims all representations and warranties of any kind, whether expressed or implied. Neither SBM MAM, nor any of its associates, nor any director, officer or employee accepts any liability whatsoever for any loss arising directly or indirectly from any use of this. It does not constitute investment advice and should not be used as the basis of any investment decision, nor should it be treated as a recommendation for any investment. The information in this document may not be edited and/or reproduced in whole or in part without the prior consent of SBM MAM.