

# SBM India Fund

NAV per share **USD 132.60** (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 5.9M

**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

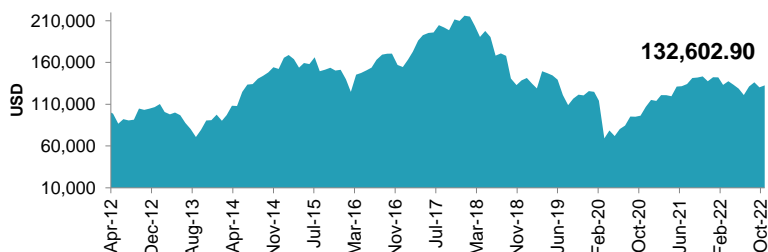
**Performance fee:** 18% p.a on excess return over benchmark

## Performance

Period	1M	3M	YTD	1Y	3Y	5Y	Launch	Annualised	2022	2021	2020	2019	2018	2017
Fund	1.8%	1.0%	-6.8%	-7.5%	9.2%	-37.3%	32.6%	2.7%	-8.0%	63.8%	-42.4%	-17.1%	-14.1%	27.3%
Benchmark	2.2%	0.8%	-7.3%	-7.3%	36.9%	32.8%	124.8%	8.0%	-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	0.98	0.96	0.94	0.95
Regression alpha (%)	-0.89	-11.34	-15.27	-10.12
Beta	0.91	1.17	1.19	1.12
Annualised volatility	16.2%	31.0%	28.6%	25.6%
Annualised tracking error	3.9%	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	98.4%	India	100.0%	Indian Rupee	99.1%
Cash	1.6%	<b>Total</b>	<b>100.0%</b>	US Dollar	0.9%
<b>Total</b>	<b>100.0%</b>			<b>Total</b>	<b>100.0%</b>

Sector	% Fund	Market capitalisation	% Fund
Financials	32.0%	Large	76.5%
Industrials	11.5%	Mid	13.8%
Information Technology	10.6%	Small	8.1%
Basic Materials	6.9%	<b>Total</b>	<b>98.4%</b>
Energy	4.9%		
Health care	7.4%		
Utilities	3.7%		
Consumer Discretionary	12.3%		
Communications	1.8%		
Real Estate	1.1%		
Consumer Staples	6.2%		
<b>Total</b>	<b>98.4%</b>		

**Asset allocation (continued)**

<b>Top 10 holdings</b>	<b>Sector</b>	<b>% Fund</b>
ICICI Bank Ltd	Financials	8.6%
HDFC Bank Ltd	Financials	7.8%
Infosys Technologies Ltd	Information Technology	6.4%
Reliance Industries Ltd	Energy	4.4%
State Bank Of India	Financials	4.1%
Sun Pharmaceuticals Industries Ltd	Health Care	3.0%
Larsen & Toubro Ltd	Industrials	2.8%
ITC Ltd	Consumer Staples	2.7%
Axis Bank Ltd	Financials	2.7%
NTPC Limited	Utilities	2.5%
<b>Total</b>		<b>45.0%</b>

**Market comments**

The Net Asset Value per share (NAV) of the Fund rose from USD 130.24 to USD 132.60 in October, equivalent to a USD performance of 1.8% against 2.2% for S&P BSE 500 index. The main leaders, that is, companies which contributed positively to the performance of the portfolio were Axis Bank Ltd (+21.4%), Infosys Technologies Ltd (+6.9%) and ICICI Bank Ltd (+3.6%) while the main laggards were Delhivery Ltd (-42.0%), Hindustan Unilever Ltd (-7.0%) and Kajaria Ceramics Ltd (-11.5%).

The Indian equity market recovered from the earlier month's sell-offs amid upbeat corporate earnings from major companies, intermittent declines in crude oil prices and strong foreign inflows. Gains were, however, capped on account of concerns over further aggressive interest rate hikes by global central banks. The top sectors that contributed to the positive performance of the S&P BSE500 index during the month were Financials (+3.7%), Information Technology (+4.0%) and Energy (+4.8%).

Operating conditions in the Indian manufacturing sector continued to improve with the S&P Global India Purchasing Managers' Index (PMI) increasing to 55.3 in October from 55.1 in September. Factory output improved amid stronger demand and efficiency, while solid rises in employment supported firms in the manufacturing sector. Softening input costs limited output price increases by manufacturers. Production volumes are estimated to increase by October 2023 amid better sales and marketing efforts.

The World Bank revised down India's GDP growth projection for FY2022-23 to 6.5% from its earlier estimate of 7.5% in June 2022, citing a worsening international environment. In addition, adverse effects from Russia-Ukraine war and global monetary policy tightening are likely to continue weighing on the economic outlook. Fitch Ratings also lowered its growth forecast by 8 basis points to 7.0% for FY2022-23 on account of worsening financial conditions and energy shocks. Growth estimate for FY2023-24 is pegged at 6.7%, down from the previous estimate of 7.4%.

Retail inflation sharply eased to 6.77% in October from 7.41% in the earlier month, primarily on account of moderation in prices of food, oil and metal products. Despite easing to a three-month low, inflation remained above the Reserve Bank of India's (RBI) upper tolerance limit of 6% for the tenth consecutive month. The RBI expects the inflation rate to come down to 6.5% in Q3 and further to 5.8% in Q4 during FY2022-23.

In October, no MPC meeting was held such that the repo rate remained unchanged at 5.90% under the liquidity adjustment facility (LAF). Consequently, the repo rate under marginal standing facility (MSF) and the Bank Rate of 6.15%, and the cash reserve ratio (CRR) of net demand and time liabilities (NDTL) of 4.50% were maintained.

**Contact**

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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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