Factsheet October 2023

SBM India Fund

NAV per share **USD 144.34** (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

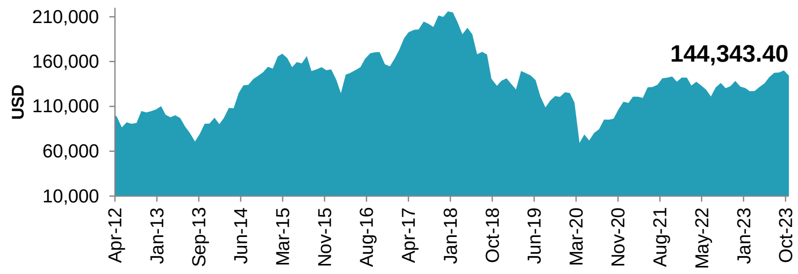
Inception date: 18 Apr 2012
Fund size: USD 6.5M
ISIN: MU0565S00012
Base currency: USD
Minimum one-off investment: USD 100 (Class B) | USD 100,000 (Class A)
Management fee: 1.40% p.a.
Entry fee: 3.00%
Exit fee: 1% in first year | Nil after 1 year
Performance fee: 18% p.a on excess return over benchmark

Performance

Period	1M	3M	YTD	1Y	3Y	5Y	Launch	Annualised	2023	2022	2021	2020	2019	2018
Fund	-3.9%	-2.2%	9.2%	8.9%	49.9%	8.6%	44.3%	3.2%	17.8%	-8.0%	63.8%	-42.4%	-17.1%	-14.1%
Benchmark	-3.2%	-2.9%	7.4%	7.6%	55.7%	70.2%	141.8%	7.9%	17.7%	-6.5%	62.3%	-19.7%	4.6%	4.1%

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

Growth of USD 100,000 since inception



Fund statistics

Period	1Y	3Y	5Y	Launch
Correlation	0.97	0.97	0.94	0.94
Regression alpha (%)	2.19	0.23	-14.74	-9.79
Beta	0.88	0.88	1.17	1.11
Annualised volatility	11.4%	15.1%	27.1%	24.7%
Annualised tracking error	3.2%	3.9%	9.9%	8.4%

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

Asset allocation

Asset class	% Fund
Indian Equities	98.8%
Cash	1.2%
Total	**100.0%**

Geography	% Fund
India	100.0%
Total	**100.0%**

Top currency	% Fund
Indian Rupee	100.0%
US Dollar	0.0%
Total	**100.0%**

Sector	% Fund
Financials	28.2%
Industrials	13.6%
Information Technology	17.4%
Basic Materials	2.6%
Energy	2.1%
Health care	7.6%
Utilities	6.6%
Consumer Discretionary	12.7%
Communications	1.8%
Real Estate	1.7%
Consumer Staples	4.5%
Total	**98.8%**

Market capitalisation	% Fund
Large	74.9%
Mid	19.1%
Small	4.7%
Total	**98.8%**

Asset allocation (continued)

Top 10 holdings	Sector	% Fund
Infosys Technologies Ltd	Information Technology	7.8%
HDFC Bank Ltd	Financials	6.3%
ICICI Bank Ltd	Financials	5.7%
NTPC Limited	Utilities	4.7%
Larsen & Toubro Ltd	Industrials	3.5%
State Bank Of India	Financials	2.7%
Axis Bank Ltd	Financials	2.6%
CIE Automotive (India) Ltd	Consumer Discretionary	2.1%
Bharat Electronics Ltd	Industrials	2.1%
Sun Pharmaceuticals Industries Ltd	Health Care	2.1%
Total		**39.6%**

Market comments

The Net Asset Value per share (NAV) of the Fund fell from USD 150.26 in September to USD 144.34 in October, equivalent to a performance of -3.9% against -3.2% for S&P BSE 500 index. The main leaders, that is, companies which contributed positively to the performance of the portfolio were Suzlon Energy Ltd (+18.3%), Multi Commodity Exchange of India Limited (+13.4%) and HCL Technologies Ltd (+3.1%) while the main laggards were Infosys Technologies Ltd (-4.9%), HDFC Bank Ltd (-3.5%) and ICICI Bank Ltd (-4.1%).

Equity markets snapped the previous month's gains as elevated U.S. interest rates triggered foreign institutional investors to withdraw funds from the Indian equities. Unfavourable global cues such as the release of China's weak trade data and the West Asia conflict further weighed on market sentiment. Most of the BSE500 sectors registered negative returns with the top laggards being Financials, Materials and Industrials, posting corresponding performances of -3.3%, -3.9% and -3.4%.

The Indian manufacturing sector maintained its growth momentum in September, albeit at a slower pace with the S&P Global India Purchasing Managers' Index (PMI) decreasing from 57.5 in September to 55.5 in October. Despite rising at the slowest rate since February, the indicator remains above its long-run average of 53.9. The deceleration was principally led by subdued demand for certain products in the consumer goods sub-sector. While input cost pressures intensified, business sentiment slipped to a five-month low amid worries over inflation and demand outlook.

According to its October 2023 World Economic Outlook, the International Monetary Fund revised upwards its India's economic growth projection for 2023 by 0.2 percentage point to 6.3% on the back of the outperformance of the agricultural sector, buoyant services expansion, strong credit growth and capital expenditure. At its latest MPC meeting, the Reserve Bank of India (RBI) maintained its growth projection for FY2023-24 at 6.5% in line with robust private consumption and investment, and strong major banks' credit growth. Morgan Stanley also pegged its growth forecast at 6.5% for FY2023-24, citing solid domestic fundamentals and policy reforms.

Retail inflation further moderated to 4.87% in October from 5.02% in September, primarily led by lower food prices. The reading edged closer to the central bank's medium-term target of 4+/-2%, remaining within the upper tolerance band. The RBI maintained its inflation projection at 5.40% for FY2023-24 mainly on the back of the recent correction in vegetable prices and liquified petroleum gas. The overall inflation trajectory however remains clouded by El Niño conditions, volatile global energy, lower reserve oil levels and food prices.

In the external sector, the Indian rupee (INR) depreciated by 0.3% MoM against the US dollar (USD) after reaching 83.26/USD on 31 October following hawkish comments from the U.S. Federal Reserve, rising crude oil prices and withdrawal of support from the RBI. Morgan Stanley expects India's current account deficit to remain in the range of 1.5%-1.7% of GDP in FY2025-26 amidst steady terms of trade and resilience in net service exports. The inclusion of Indian bonds in JPMorgan's emerging market debt index as from June 2024 is expected to attract more foreign inflows.

At its latest MPC meeting held on the 4th to 6th of October, the RBI decided to keep the repo rate under the liquidity adjustment facility (LAF) unchanged at 6.50% as inflationary pressures remain high. Consequently, the repo rate under the marginal standing facility (MSF) and the Bank Rate of 6.75%, as well as the cash reserve ratio (CRR) of net demand and time liabilities (NDTL) of 4.50% were maintained.

Contact

SBM Mauritius Asset Managers Ltd
Level 3, Lot15A3, Hyvec Business Park,
Wall Street, Ebene Cybercity 72201
Republic of Mauritius
Tel: (+230) 202 11 11 | 202 17 35 | 202 46 42
Fax: (+230) 210 33 69
E-mail: sbm.assetm@sbmgroup.mu
For price updates on this fund, please see: https://nbfc.sbmgroup.mu/asset-management