

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 9.0M

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

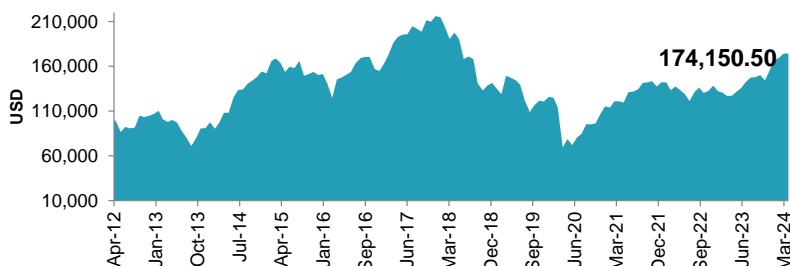
Performance fee: 18% p.a on excess return over benchmark

Performance

Period	1M	3M	YTD	1Y	3Y	5Y	Launch	Annualised	2023	2022	2021	2020	2019	2018
Fund	-0.1%	4.6%	4.6%	36.9%	44.1%	16.5%	74.2%	4.7%	17.8%	-8.0%	63.8%	-42.4%	-17.1%	-14.1%
Benchmark	0.2%	4.1%	4.1%	36.3%	43.3%	73.6%	190.7%	9.3%	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	0.96	0.97	0.95	0.95
Regression alpha (%)	3.10	1.75	-14.04	-11.47
Beta	0.93	0.90	1.18	1.11
Annualised volatility	11.0%	14.1%	26.4%	24.4%
Annualised tracking error	3.2%	3.8%	9.1%	8.3%

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

Asset allocation

Asset class	% Fund
Indian Equities	92.2%
Cash	7.8%
Total	100.0%

Geography	% Fund
India	100.0%
Total	100.0%

Top currency	% Fund
Indian Rupee	92.5%
US Dollar	7.5%
Total	100.0%

Sector	% Fund
Financials	27.1%
Consumer Discretionary	13.0%
Industrials	12.9%
Information Technology	11.1%
Utilities	8.2%
Health care	8.0%
Basic Materials	3.6%
Energy	2.9%
Real Estate	2.1%
Communications	1.7%
Consumer Staples	1.6%
Total	92.2%

Market capitalisation	% Fund
Large	74.1%
Mid	15.4%
Small	2.7%
Total	92.2%

Asset allocation (continued)

Top 10 holdings	Sector	% Fund
ICICI Bank Ltd	Financials	5.6%
NTPC Limited	Utilities	4.9%
HDFC Bank Ltd	Financials	4.8%
Infosys Technologies Ltd	Information Technology	4.3%
Larsen & Toubro Ltd	Industrials	3.3%
State Bank Of India	Financials	2.7%
Bharat Electronics Ltd	Industrials	2.6%
Sun Pharmaceuticals Industries Ltd	Health Care	2.4%
HCL Technologies Ltd	Information Technology	2.3%
Axis Bank Ltd	Financials	2.3%
Total		35.2%

Market comments

The Net Asset Value per share (NAV) of the Fund fell from USD 174.31 in February to USD 174.15 in March, equivalent to a performance of -0.1% against 0.2% for S&P BSE 500 index. The top leaders, that is, companies which contributed positively to the performance of the Fund were Larsen & Toubro Ltd (+7.6%), ICICI Bank Ltd (+3.3%) and Avenue Supermarts Ltd (+14.8%) while the main laggards were Infosys Technologies Ltd (-11.0%), Coforge Ltd (-16.5%) and HCL Technologies Ltd (-7.8%).

The equity market posted gains for a fifth consecutive month following positive global cues with the Federal Reserve reiterating its intention to maintain its stance for three potential rate cuts in 2024. Headwinds relating to the surging crude oil prices and regulatory uncertainty surrounding the technology and communications sector capped gains. The BSE sectors posted mixed returns with the top leaders being Industrials, Financials and Consumer Discretionary, which posted corresponding MoM returns of +2.5%, +0.8% and +1.1%.

The HSBC India Manufacturing Purchasing Managers' Index (PMI) climbed to a 16-year high of 59.1 in March against a reading of 56.9 in February. Improvements in operating conditions reflect stronger growth in new orders amid buoyant global demand. New export orders increased at the fastest pace since May 2022, fuelled by increased sales to Africa, Asia, Europe and the US. Strong demand led to an uptick in input cost inflation amid an increase in the price of cotton, iron, machinery tools, plastics and steel.

Morgan Stanley raised India's GDP growth rate estimate for FY2024-25 to 6.8% from its earlier projection of 6.5%, on account of sustained progress in industrial and capital expenditure activities. The growth momentum is expected to be broad-based, with narrowing gaps between rural-urban consumption and private-public capital expenditure. It also highlighted potential global and domestic uncertainties including lower-than-expected global growth, higher commodity prices and tighter global financial conditions. The growth forecast for FY2024-25 is pegged at 7.9%. The World Bank raised its GDP growth projection for India by 20 bps to 7.5% in FY2023-24, followed by a moderation to 6.6% in FY2024-25. This anticipated slowdown is attributed to an expected decrease in investment growth and fiscal as well as climate uncertainties. Nonetheless, growth in services and industrial sectors is expected to remain robust, supported by strong construction and real estate activities.

Retail inflation declined to a 10-month low of 4.85% from 5.10% in February, aided by a slower rise in the price of food items like eggs, milk and milk products, fruits, pulses and spices. The reading remained within the central bank's medium-term inflation target of 4+/-2% for the seventh consecutive month. Morgan Stanley anticipates a disinflation trend in India following continuous normalisation of supply-chain coupled with subsiding commodity price pressures, creating more room for easing financial conditions. However, the ongoing uptrend in international crude oil prices is viewed as a major risk to near-term inflation outlook.

In the external sector, the INR weakened by 0.6% MoM against the USD to reach 83.41/USD on 31 March 2024 mainly on account of higher crude oil prices and a longer-than-expected hawkish Federal Reserve. In Q3:FY2023-24, the country's current account deficit narrowed to USD 10.5B (1.2% of GDP), compared with USD 16.8B (2.0% of GDP) in the comparable period a year earlier. Services exports grew by 5.2% year-on-year, driven by larger exports of software, business and travel services. The merchandise trade deficit rose slightly to USD 71.6B against USD 71.3B in Q3:FY2022-23. The growth in net services receipts more than compensated for the rise in merchandise trade deficit.

In March, no MPC meeting was held such that the repo rate remained unchanged at 6.50% under the liquidity adjustment facility (LAF). 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

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

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