Factsheet Sep 2024

SBM India Opportunities Fund

NAV per share **USD 108.02** (Class B)

SBM Mauritius Asset Managers Ltd

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
Fund inception: 18 Apr 2012

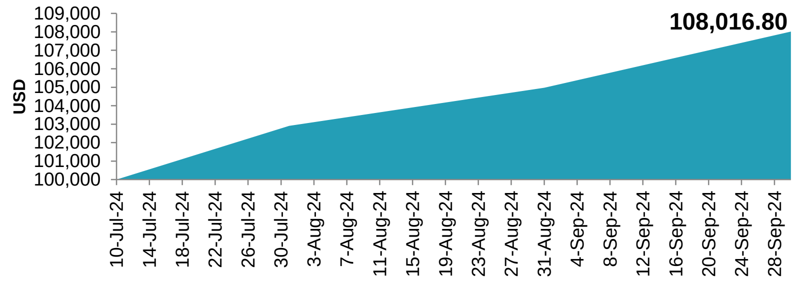
Share split: 10 July 2024
Fund size: USD 12.9M
ISIN: MU0565S00012
Base currency: USD
Minimum one-off investment: USD 100 (Class B) | USD 100,000 (Class A)
Monthly investment plan: USD 10 (Class B)
Management fee: 1.40% p.a.
Entry fee: Up to 3.00%
Exit fee: 1% in first year | Nil after 1 year
Performance fee: 18% p.a on excess return over benchmark

Performance

Period	1M	3M	YTD	1Y	3Y	5Y	Launch	Annualised	2025	2026	2027	2028	2029	2030
Fund	2.9%						8.0%							
Benchmark	2.1%						4.9%							

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 strategy inception



Fund statistics

Period	1Y	3Y	5Y	Launch
Correlation				
Regression alpha (%)				
Beta				
Annualised volatility				
Annualised tracking error				

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

Asset allocation

Asset class	% Fund
Indian Equities	94.3%
Cash	5.7%
Total	**100.0%**

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

Top currency	% Fund
Indian Rupee	95.5%
US Dollar	4.5%
Total	**100.0%**

Sector	% Fund
Financials	26.4%
Consumer Discretionary	17.1%
Industrials	12.2%
Health care	11.3%
Information Technology	9.3%
Utilities	5.6%
Basic Materials	4.3%
Consumer Staples	3.0%
Energy	2.2%
Communications	2.2%
Real Estate	0.7%
Total	**94.3%**

Market capitalisation	% Fund
Large	76.6%
Mid	12.9%
Small	4.8%
Total	**94.3%**

Asset allocation (continued)

Top 10 holdings	Sector	% Fund
ICICI Bank Ltd	Financials	6.3%
Infosys Technologies Ltd	Information Technology	5.5%
HDFC Bank Ltd	Financials	5.2%
NTPC Limited	Utilities	3.6%
Axis Bank Ltd	Financials	3.2%
Mahindra & Mahindra Ltd	Consumer Discretionary	2.6%
Rural Electrification Corporation Ltd	Financials	2.5%
Bharat Electronics Ltd	Industrials	2.4%
Kalyan Jewellers India Ltd	Consumer Discretionary	2.4%
Larsen & Toubro Ltd	Industrials	2.3%
Total		**36.0%**

Market comments

The Net Asset Value per share (NAV) of the Fund rose from USD 104.97 in August to USD 108.02 in September, equivalent to a performance of 2.9% against 2.1% for S&P BSE 500 index. The top leaders, that is, companies which contributed positively to the performance of the Fund were Senco Gold Ltd (+31.5%), Kalyan Jewellers India Ltd (+18.8%) and Century Textiles & Industries Ltd (19.4%) while the main laggards were Rural Electrification Corporation Ltd (-10.5%), Infosys Technologies Ltd (-3.4%) and TATA Motors Limited (-12.2%).

The Indian equity market rallied after the US Federal Reserve delivered an oversized interest rate cut of 50 basis points at its September meeting. Investor confidence remained upbeat on robust foreign fund inflows and growing expectations of further rate cuts before year-end. Most of the BSE sectors posted positive returns with the top leaders being Financials, Materials and Consumer Staples, which registered corresponding MoM returns of +3.2%, +5.8% and +6.6%.

The HSBC India Manufacturing Purchasing Managers' Index (PMI) continued to ease, from 57.5 in August to 56.5 in September, but remained above its long-run average of 54.0. Momentum slowed following a decelerating growth rate in output and new orders, particularly in exports demand. Fierce competition adversely impacted sales growth despite the positive demand trends and marketing. Input cost pressures increased as prices of chemical, packaging, plastic and metal ticked higher.

The World Bank upgraded its GDP growth for India by 4 basis points to 7.0% for FY2024-25, citing increased government expenditure on infrastructure, surging household investments in real estate, better-than-expected monsoon and higher private consumption as key drivers. Moody's revised its calendar year 2024 growth forecast for India to 7.1%, from an estimate of 6.8% but retained its growth forecast for 2025 at 6.5%. The upward review reflects a broad-based growth, with moderating inflation likely to boost private consumption. Rural demand is expected to rebound on account of improved agricultural output during the monsoon season.

Retail inflation surged to a nine-month high of 5.49% in September, nearing the Reserve Bank of India (RBI)'s upper bound medium-term target of 2-6%. The uptick primarily reflects the diminishing impact of a favourable base effect and a spike in food prices such as milk and milk products, fruits, and vegetables. The higher-than-expected inflation figure is likely to delay interest cuts by the RBI.

In the external sector, the INR marginally appreciated by 0.1% MoM against the USD, reaching 83.80/USD on 30 September 2024. A weak US dollar index amid the Fed dovish monetary policy, positive foreign fund flows and a strong equity market supported the INR. India's current account balance recorded a deficit of USD 9.7Bn in Q1:FY2024-25 accounting for 1.1% of GDP against a deficit of USD 8.9Bn in Q1:FY2023-24 (1.0% of GDP). The current account deficit widened primarily on account of a surge in the merchandise trade deficit, which rose by USD 8.4Bn YoY to USD 65.1Bn in Q1:FY2024-25.

No Monetary Policy Committee (MPC) meeting was held during the month such that the policy repo rate under the liquidity adjustment facility (LAF) remained at 6.50%. 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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