SBM India Opportunities Fund

NAV per share **USD 102.08** (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

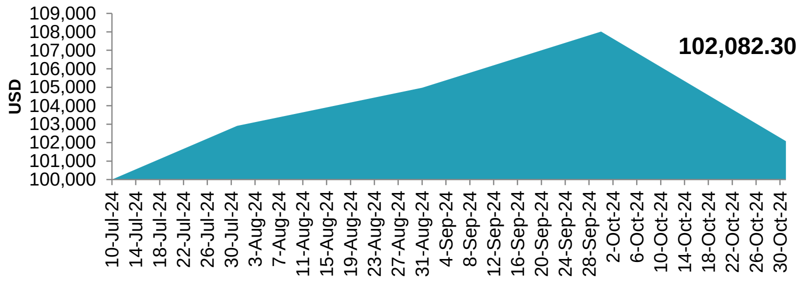
Share split: 10 July 2024
Fund size: USD 12.8M
ISIN: MU0565S00012
Base currency: USD
Minimum one-off investment: USD 100 (Class B) | USD 100,000 (Class A)
Monthly investment plan: USD 10 (Class B)
Management fee: 1.40% p.a.
Entry fee: Up to 3.00%
Exit fee: 1% in first year | Nil after 1 year
Performance 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	-5.5%	-0.8%					2.1%							
Benchmark	-6.8%	-4.3%					-2.2%							

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	89.4%
Cash	10.6%
Total	**100.0%**

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

Top currency	% Fund
Indian Rupee	90.7%
US Dollar	9.3%
Total	**100.0%**

Sector	% Fund
Financials	25.7%
Consumer Discretionary	15.3%
Industrials	11.5%
Health care	11.4%
Information Technology	9.2%
Utilities	5.1%
Basic Materials	4.1%
Consumer Staples	2.5%
Communications	2.0%
Energy	2.0%
Real Estate	0.6%
Total	**89.4%**

Market capitalisation	% Fund
Large	71.4%
Mid	13.5%
Small	4.5%
Total	**89.4%**

Asset allocation (continued)

Top 10 holdings	**Sector**	**% Fund**
ICICI Bank Ltd	Financials	6.4%
HDFC Bank Ltd	Financials	5.2%
Infosys Technologies Ltd	Information Technology	5.2%
NTPC Limited	Utilities	3.3%
Axis Bank Ltd	Financials	3.0%
Coforge Ltd	Information Technology	2.4%
Bharat Electronics Ltd	Industrials	2.4%
Rural Electrification Corporation Ltd	Financials	2.3%
Mahindra & Mahindra Ltd	Consumer Discretionary	2.3%
Larsen & Toubro Ltd	Industrials	2.3%
Total		**34.8%**

Market comments

The Net Asset Value per share (NAV) of the Fund fell from USD 108.02 in September to USD 102.08 in October, equivalent to a performance of -5.5% against -6.8% for S&P BSE 500 index. The top leaders, that is, companies which contributed positively to the performance of the Fund were Coforge Ltd (+8.3%), Multi Commodity Exchange of India Limited (+14.7%) and Divis Laboratories Ltd (7.8%) while the main laggards were Infosys Technologies Ltd (-6.6%), Avenue Supermarts Ltd (-23.1%) and Mahindra & Mahindra Ltd (-12.1%).

The Indian equity market snapped eleven months of gains following disappointing second-quarter earnings and high valuation concerns. All the BSE sectors posted negative returns with the top losers being Consumer Discretionary, Financials and Energy, and posting corresponding MoM returns of -10.4%, -3.7% and -12.9%.

The HSBC India Manufacturing Purchasing Managers' Index (PMI) rose from an eight-month low of 56.5 in September to 57.5 in October, signaling robust improvements in operating conditions. Growth in the manufacturing sector was mainly attributed to increased new orders as well higher domestic from both domestic and international markets. New export orders rose amid new contracts from Asia, Europe, Latin America and the US. Input price inflation accelerated to a three-month high after larger production resulted in higher demand for raw materials.

The International Monetary Fund projects India's real GDP growth rate to moderate from 8.2% in FY24 to 7.0% in FY25 and kept its forecast unchanged at 6.5% for FY26. The slower growth trajectory primarily reflects exhausting pent-up savings accumulated during the Covid-19 pandemic. The Reserve Bank of India (RBI), at its latest monetary policy committee held in October, maintained its growth projection for FY25 unchanged at 7.2%, citing robust private consumption and investment. Favorable weather conditions, strong demand, improved bank and corporate balance sheets, and higher capacity utilisation remain positive tailwinds for the economy.

Retail inflation in India accelerated to a fourteen-month high of 6.21% in October, breaching the Reserve Bank of India (RBI)'s upper bound medium-term target of 2-6% for the first time since August 2023. Food prices remained stubbornly high with unseasonal rainfall disrupting crops and leading to sharp rises in vegetable prices. A spike in edible oil prices exerted further upward pressures on the headline inflation. Greater climate risks, geopolitical risks and a weaker INR vis-a-vis USD remain major upside risks to inflation.

In the external sector, the INR marginally depreciated by 0.3% MoM against the USD, standing at 84.09/USD on 31 October 2024. The recent spike in oil prices, significant foreign fund outflows from the equity market and strong dollar demand from importers pressurized the domestic currency. Despite a widening trade deficit, strong services exports and remittances are expected to keep the current account deficit contained and hence, a relatively stable INR in the short-term.

At its latest MPC meeting held on the 9th of October, the RBI decided to keep the repo rate under the liquidity adjustment facility (LAF) unchanged 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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