Factsheet February 2024

SBM India Fund

NAV per share **USD 174.31** (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

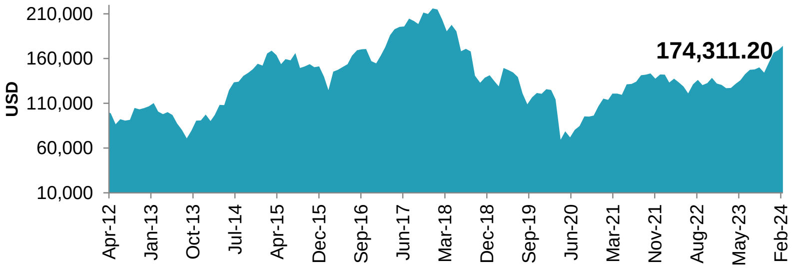
Inception date: 18 Apr 2012
Fund size: USD 8.2M
ISIN: MU0565S00012
Base currency: USD
Minimum one-off investment: USD 100 (Class B) | USD 100,000 (Class A)
Management fee: 1.40% p.a.
Entry fee: 3.00%
Exit fee: 1% in first year | Nil after 1 year
Performance fee: 18% p.a on excess return over benchmark

Performance

Period	1M	3M	YTD	1Y	3Y	5Y	Launch	Annualised	2023	2022	2021	2020	2019	2018
Fund	2.9%	12.3%	4.7%	37.3%	44.1%	35.2%	74.3%	4.8%	17.8%	-8.0%	63.8%	-42.4%	-17.1%	-14.1%
Benchmark	1.7%	12.4%	3.8%	37.2%	45.4%	91.0%	190.0%	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 (%)	2.55	1.17	-14.73	-11.47
Beta	0.93	0.90	1.20	1.11
Annualised volatility	10.9%	14.1%	27.2%	24.5%
Annualised tracking error	3.3%	4.0%	9.5%	8.3%

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

Asset allocation

Asset class	% Fund
Indian Equities	92.9%
Cash	7.1%
Total	**100.0%**

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

Top currency	% Fund
Indian Rupee	95.2%
US Dollar	4.8%
Total	**100.0%**

Sector	% Fund
Financials	28.4%
Industrials	13.0%
Information Technology	12.6%
Consumer Discretionary	12.0%
Utilities	8.3%
Health care	7.5%
Basic Materials	3.8%
Energy	2.3%
Real Estate	2.0%
Communications	1.7%
Consumer Staples	1.3%
Total	**92.9%**

Market capitalisation	% Fund
Large	72.8%
Mid	13.8%
Small	6.3%
Total	**92.9%**

Asset allocation (continued)

Top 10 holdings	Sector	% Fund
ICICI Bank Ltd	Financials	6.0%
HDFC Bank Ltd	Financials	5.2%
NTPC Limited	Utilities	4.9%
Infosys Technologies Ltd	Information Technology	4.9%
Larsen & Toubro Ltd	Industrials	3.3%
Bharat Electronics Ltd	Industrials	2.6%
HCL Technologies Ltd	Information Technology	2.4%
State Bank Of India	Financials	2.4%
Axis Bank Ltd	Financials	2.3%
Sun Pharmaceuticals Industries Ltd	Health Care	2.3%
Total		**36.3%**

Market comments

The Net Asset Value per share (NAV) of the Fund rose from USD 169.43 in January to USD 174.31 in February, equivalent to a performance of 2.9% against 1.7% for S&P BSE 500 index. The top leaders, that is, companies which contributed positively to the performance of the Fund were JIO Financial Services Ltd (+25.1%), State Bank Of India (+17.0%) and NTPC Limited (+5.9%) while the main laggards were HDFC Bank Ltd (-3.9%), Hindalco Industries Ltd (-12.9%) and AIA Engineering Ltd (-11.1%).

The equity market continued its rally amidst upbeat investor sentiment induced by the release of better-than-expected third quarter earnings by major domestic companies. Robust domestic GDP growth rate for Q3:2023-24 and favourable US macroeconomic data further supported Indian equities. Most of the BSE sectors registered positive returns with the top leaders being Energy, Consumer Discretionary and Information Technology, and posting corresponding performances of +7.2%, +4.1% and +3.0%.

The HSBC India Manufacturing Purchasing Managers' Index (PMI) marginally increased from 56.5 in January to 56.9 in February. Production levels were raised in line with higher new order inflows alongside strong demand and implementation of more advanced technology. New export orders rose at a two-year high following larger demand mainly from Australia, Bangladesh, Brazil, Canada, China, Europe, Indonesia, the US and UAE. Input costs rose at the slowest rate in almost four years following steep reductions in raw material prices, particularly steel and cotton.

Real GDP growth surprised to the upside after clocking 8.4% during Q3:FY2023-24, 1.9 percentage points above the Reserve Bank of India (RBI)'s growth projection of 6.5%. The surge reflects strong performance of the manufacturing and construction sectors which expanded by 11.6% and 9.5%, respectively. The agriculture sector emerged the weakest performer, contracting by 0.8% due to adverse monsoon conditions. Moody's revised India's FY2023-24 real GDP growth forecast to 8.0% from an earlier projection of 6.6% on the back of solid government expenditure and domestic consumption. India is likely to benefit from increased global trade and investment opportunities as companies diversify away from China.

The interim budget Union budget FY2024-25, held in February, emphasised on increased capital expenditure especially in infrastructure and manufacturing sectors. Tax incentives measures for the manufacturing sector and relief for Micro Small and Medium Enterprises were further announced. Overall, domestic-focused sectors like housing, auto and consumer durables, construction and banking are expected to display higher resilience on account of macro tailwinds.

Retail inflation was flat at 5.1% in February, remaining within the upper tolerance band of the central bank's medium-term inflation target of 4+/-2%. While prices of clothing, footwear, housing and transport marginally eased during the month, food inflation namely continued its upward trend. The RBI expects inflation to moderate to 4.5% in FY2024-25 from 5.4% estimated in the current FY2023-24, after taking into account normal monsoon, food inflation volatility, geopolitical events and commodity factors.

In the external sector, the Indian rupee (INR) appreciated by 0.2% MoM against the US dollar (USD) to reach 82.91/USD on 29 February on account of robust foreign capital inflows, narrowing current account deficit and larger forex reserves. India's services trade surplus hit a record high of USD 44.9Bn in Q3:FY2023-24, growing 16% YoY despite global headwinds.

At its latest MPC meeting held on 8 February, the RBI decided to keep the repo rate under the liquidity adjustment facility (LAF) unchanged at 6.50% citing that the previous 250 bps rate hikes are still working their way through the system. 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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