SBM Mauritius Asset Managers Ltd | SBM

SBM Yield Fund

30 April 2018 | NAV per share **MUR 10.84**

Fund Objective

The Fund seeks to achieve its investment objective by investing in fixed income and fixed income-related instruments across different geographies, issuers, maturities and currencies. It uses a combination of top-down and bottom-up approach in its investment selection process. It may invest in bonds, term deposits, ETFs, preferred stock, convertible bonds, structured products and mortgage backed securities, amongst others.

Risk Profile

Low	**Low to Moderate**	Moderate	Moderate to High	High

Fund Profile

Inception Date:	Jun-06
Fund Size:	MUR 88.0M
Issue / Redemption :	10th, 20th and 30th of each month
Distribution:	Yearly (each financial year end)
Management Fee:	0.85% p.a
Entry Fee:	0.50%
Exit Fee:	0.50%

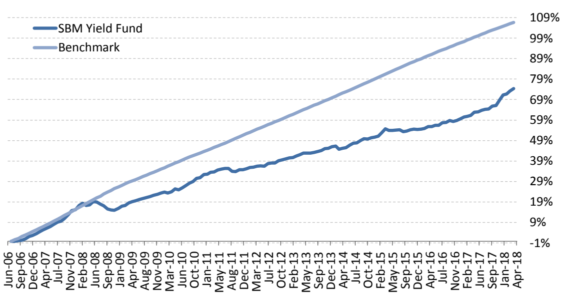
Fund Facts

Fund Manager	SBM Mauritius Asset Managers Ltd
Benchmark	SBM Savings Rate + 2%
Fund Administrator	SBM Fund Services Ltd
Auditors	Ernst & Young
Custodian	SBM Bank (Mauritius) Ltd

Top 10 Holdings

	% Net Assets
Government of Mauritius Bond 25/01/2028	22.7%
Government of Mauritius Bond 15/01/2036	6.6%
SBM Masala Bond Note - Series B MUR	6.4%
Evaco Ltd - Floating Rate Notes	5.9%
Government of Mauritius Bond 22/07/2036	4.3%
Alpha Capital Protected Note - Series 1	3.8%
MCB Group Ltd 3.5% 5Y Notes	3.2%
SBM Holdings Ltd	3.0%
SBM Maharaja Bond Fund	3.0%
Grit Real Estate Income Group Ltd	1.5%
TOTAL	**60.4%**

Cumulative Performance



Risk Metrics

Volatility p.a.	1Y	3Y	5Y
SBM Yield Fund	0.6%	0.4%	0.3%
Benchmark	0.3%	0.4%	0.4%

Fund vs Benchmark	1Y	3Y	5Y
Tracking error	1.8%	1.6%	1.6%
Correlation	-0.52	-0.58	-0.30
Beta	-13.10	-7.10	-2.83

Cumulative Return

	1M	3M	YTD	1Y	3Y	5Y	Launch	Annualized
Fund	0.5%	2.0%	2.3%	7.7%	13.8%	22.7%	75.5%	4.9%
Benchmark	0.3%	0.9%	1.2%	3.9%	13.8%	26.4%	107.5%	6.4%

Financial Year Return

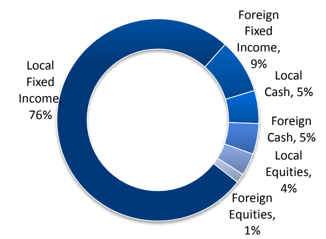
	2010	2011	2012	2013	2014	2015	2016	2017
Fund	4.7%	7.5%	1.8%	3.7%	3.4%	4.3%	1.4%	5.1%
Benchmark	6.7%	6.0%	6.0%	5.6%	5.4%	4.9%	4.8%	4.6%

*All returns are calculated assuming dividends are reinvested; returns are in 'Financial Year' format

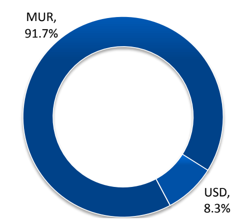
Distributions

	2010	2011	2012	2013	2014	2015	2016	2017
Dividend per unit	0.57	0.44	0.41	0.41	0.15	0.30	0.32	0.33
Dividend Yield	5.5%	4.2%	4.0%	4.0%	1.5%	2.9%	3.1%	3.2%

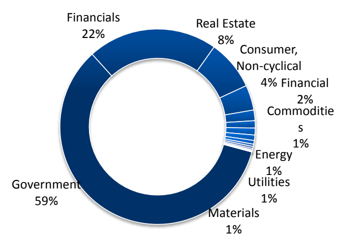
Asset Allocation



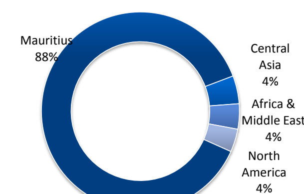
Currency Mix



Sector Allocation



Regional allocation



Fund Manager Commentary

The Net Asset Value (NAV) of the Fund increased from Rs10.79 to Rs10.84 during the month, equivalent to a return of 0.5%, while the benchmark yielded 0.3% over the same period.

The weighted average yields on 91-day Government of Mauritius Treasury Bills increased from 2.81% to 3.56% over the month while the 182-day Government of Mauritius Treasury Bills decreased to 3.68% against 3.73% in its preceding issue. The yield on 364-Day Treasury Bills fell from 3.82% to reach 3.65% during the month. Over the month, the 3- and 5-year GoM Note increased by 97 bps and 22 bps respectively, to reach 4.26% and 4.87% each. The 10-, 15- and 20-year GoM Bond stayed flat at 5.58%, 5.21%, and 5.55% respectively as there were no bond issuance.

On the global market, the MSCI World and MSCI Emerging markets ended the month with returns of 1.0% and -0.6% respectively in USD terms. Globally markets were subject to increased volatility during the month. Geopolitical issues such as the possibility of a trade war between the U.S. and China dominated the headlines closely trailed by rising tensions between the U.S and Russia with respect to Syria.

In the U.S., the S&P 500 index was muted and returned 0.3% for the month of April, despite the strong momentum gained by the earnings season. Market analysts attributed this good performance to tax cuts followed by domestic and international gains. Macroeconomic data in the U.S. remains strong and investors are concerned about the pace of growth which will likely lead to an acceleration in inflation. After hiking interest rates by 25 bps in March 2018, the U.S. Federal Reserve is expected to announce two more 25bps hikes over the remainder of 2018.

Emerging Markets underperformed for the month as MSCI Emerging markets returned -0.6% in USD terms. The Chinese Hang Seng index lost 2.3% while the Indian Nifty 50 index gained 3.8%. The People's Bank of China eased monetary conditions by cutting the reserve ratio requirement for a wide number of banks with a view of increasing liquidity for the financing of small and micro enterprises. In India, favorable earnings drove indices up but rising oil prices remainsa a key downside risk in the short term.

In April 2018, the Barclays U.S. Global Aggregate and the J.P Morgan Aggregate bond indices registered respective returns of -0.74% and -1.47%. Despite geopolitical headlines, stable economic fundamentals kept major central banks on course to normalise monetary policy. The US 10-year yields increased from 2.74% to 2.95% in April 2018 as a result of rising interest rates and higher inflation expectations. In expectation of a tighter US monetary policy, the EURO lost 2.39% against the US Dollar during the month. The ECB kept rates unchanged but the latest press release indicated that the latter will continue its accommodative policy through its asset purchasing programme. Across Europe, the 10-year German Government Bond yields rose by 6 bps to 0.56% and the French 10-year Government Bonds rose by 6bps to reach 0.76%. After a good performance in the previous month, yields on Italian bonds remained unchanged.

Investment options & Contact details

Lump Sum	Minimum MUR 1000	Telephone	202-1111 / 202-1701 / 202-1448
Monthly Savings Plan	Minimum MUR 500	Fax	210-3369
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