

SBM Yield Fund

31 May 2018

NAV per share

MUR 10.87

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
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Fund Profile

Inception Date:	Jun-06
Fund Size:	MUR 112.8M
Issue / Redemption :	10 th , 20 th and end of each month
Distribution:	Yearly (each financial year end)
Management Fee:	0.85% p.a
Entry Fee:	0.50%
Exit Fee:	0.50%

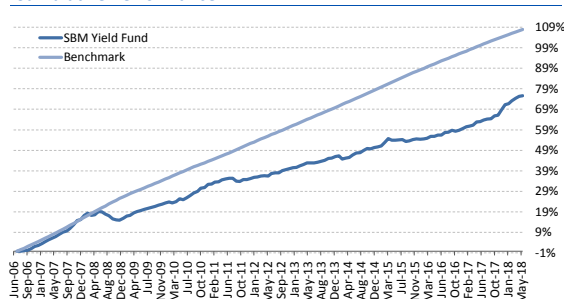
Fund Facts

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	14.5%
Government of Mauritius Bond 22/07/2036	8.1%
Government of Mauritius Bond 22/01/2033	5.4%
Government of Mauritius Bond 15/01/2036	4.7%
Ciel Note	4.6%
SBM Masala Bond Note - Series B MUR	4.5%
Evaco Ltd - Floating Rate Notes	4.1%
91D BOM BILLS 15/06/2018	4.0%
Government of Mauritius Bond 15/06/2038	3.6%
SBM Maharaja Bond Fund	3.5%
TOTAL	56.9%

Cumulative Performance



Risk Metrics

Volatility p.a.	1Y	3Y	5Y
SBM Yield Fund	1.8%	1.5%	1.6%
Benchmark	0.1%	0.1%	0.2%

Fund vs Benchmark	1Y	3Y	5Y
Tracking error	1.8%	1.6%	1.6%
Correlation	-0.4	-0.5	-0.3
Beta	-10.8	-6.7	-2.6

Cumulative Return

	1M	3M	YTD	1Y	3Y	5Y	Launch	Annualized
Fund	0.2%	1.4%	2.6%	7.8%	14.1%	23.0%	75.9%	4.9%
Benchmark	0.3%	0.9%	1.6%	3.9%	13.7%	26.2%	108.2%	6.3%

Financial Year Return

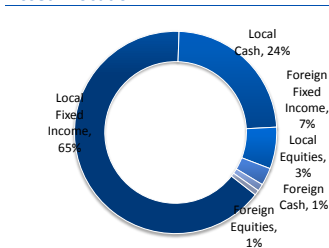
	2010	2011	2012	2013	2014	2015	2016	2017
Fund	4.7%	7.5%	1.8%	3.7%	3.4%	4.3%	1.4%	5.1%
Benchmark	6.7%	6.0%	6.0%	5.6%	5.4%	4.9%	4.8%	4.6%

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

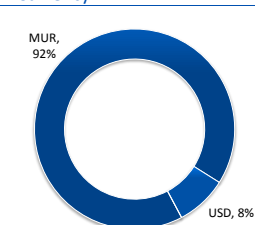
Distributions

	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%

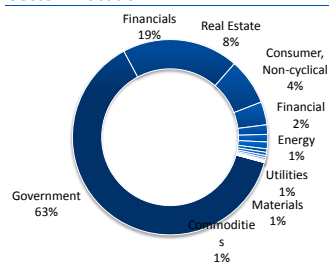
Asset Allocation



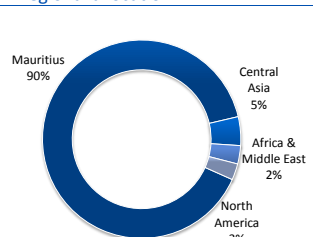
Currency Mix



Sector Allocation



Regional allocation



Fund Manager Commentary

The Net Asset Value (NAV) of the Fund increased from Rs10.84 to Rs10.87 during the month, equivalent to a return of 0.2%, while the benchmark yielded 0.3% over the same period.

The weighted average yield on 91-day Government of Mauritius Treasury Bills remained flat at 3.56% over the month while the 182-day Government of Mauritius Treasury Bills decreased to 3.66% against 3.68% in the preceding issue. The yield on 364-Day Treasury Bills was flat at 3.65%. The yield on the 3-year GoM Notes decreased to 4.25% from 4.26% following a re-opening on 23 May 2018 while the 5-year GoM yield was unchanged at 4.87%. The 10-, 15- and 20-year GoM Bonds remained flat at 5.58%, 5.21%, and 5.55% respectively as there was no bond issuance.

On the global market, MSCI World and MSCI Emerging markets ended the month on negative notes with returns of -3.4% and -3.8% respectively in USD terms. Heightened political risks, fears of a trade war and Italy's political issues contributed to market uncertainty.

Macroeconomic data were strongly supported by above-expectations earnings. In the US, tax cuts contributed towards an increase of 11% in corporate earnings which surprised the market. Consumer confidence remained high as the manufacturing PMI increased indicating an acceleration in activity in the second quarter. Headline inflation picked up slightly but wage growth remained subdued. On the fixed income side, the US ten-year yield ended the month 9 bps lower than April at 2.80%.

In Europe, indices ended the month in red as Eurostoxx 50 fell by 4%. Italy struggled to form a government and this triggered an immediate sell-off of Italian assets along with other European stocks. Although markets underperformed, corporate earnings grew by 10%. However, concerns about global trade war and higher oil prices appear to be weighing on sentiment. Macroeconomic data was mixed but the labour market looked robust as the Eurozone's unemployment fell by 10 bps to 8.5% from the previous reading. The Eurozone's manufacturing PMI fell to 54.1 but remained above the 50-mark indicating expansion in this region.

The strength of the U.S. dollar, rising risk aversion and Italy's contagion weighed on emerging markets' performance. Brazilian equities fell as a truck driver strike paralysed the economy and amplified political uncertainty. The timing of a resolution to ongoing US-China trade negotiations remained unclear although macroeconomic data remained firm. In India, the Nifty 50 index fell marginally by 0.03% as the World Bank published projected growth to remain unchanged at 3.1% for the year 2018.

On the bond market, the Barclays U.S. Global Aggregate and the J.P Morgan Aggregate Bond indices registered respective returns of -0.76% and -0.73%. Bond yields reflected increased risk aversion over the month driven by political developments in Italy and Spain. Italy's 10-yr yields increased from 1.79% to 2.79% and Spain's 10-yr yields rose from 1.28% to 1.50%. US Treasury yields rose during the first half of the month.

Investment options & Contact details

Lump Sum	Minimum MUR 1000
Monthly Savings Plan	Minimum MUR 500
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