

SBM Yield Fund

30 June 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 115.4M
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

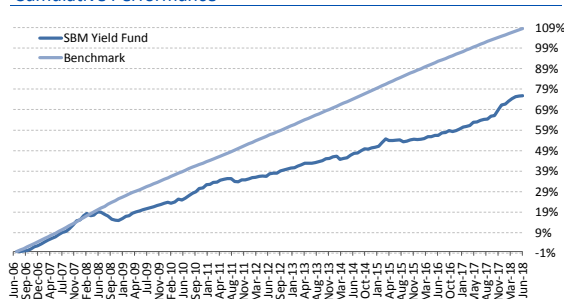
Fund Manager	SBM Mauritius Asset Managers Ltd
Benchmark	SBM Savings Rate + 2%
Fund Administrator	SBM Fund Services Ltd
Auditors	Ernst & Young
Custodian	SBM Bank (Mauritius) Ltd

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	1.9%	1.5%	1.6%
Benchmark	0.1%	0.1%	0.2%

Fund vs Benchmark	1Y	3Y	5Y
Tracking error	1.9%	1.6%	1.6%
Correlation	-0.4	-0.5	-0.2
Beta	-11.9	-6.2	-2.2

Cumulative Return

	1M	3M	YTD	1Y	3Y	5Y	Launch	Annualized
Fund	0.1%	0.8%	2.6%	7.3%	14.0%	23.1%	76.0%	4.8%
Benchmark	0.3%	0.9%	1.9%	3.8%	13.5%	26.0%	108.8%	6.3%

Financial Year Return

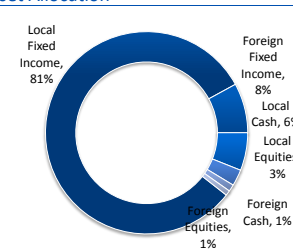
	2011	2012	2013	2014	2015	2016	2017	2018
Fund	7.5%	1.8%	3.7%	3.4%	4.3%	1.4%	4.8%	7.3%
Benchmark	6.0%	6.0%	5.6%	5.4%	4.9%	4.8%	4.3%	3.8%

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

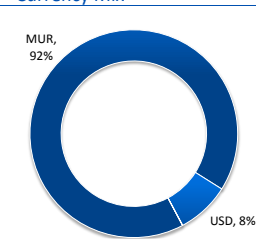
Distributions

	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%

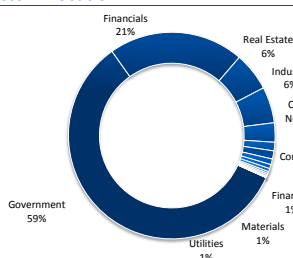
Asset Allocation



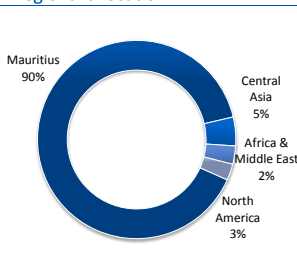
Currency Mix



Sector Allocation



Regional allocation



Fund Manager Commentary

The Net Asset Value (NAV) of the Fund stood at Rs10.87 as at end of June 2018, representing a return of 0.06% over the month, while the benchmark yielded 0.31% over the same period.

The weighted average yield on 91-day Government of Mauritius Treasury Bills rose from 3.56% to 3.64% over the month while the 182-day Government of Mauritius Treasury Bills decreased to 3.59% against 3.66% in its preceding issue. The yield on 364-Day Treasury Bills increased by 13 basis points to 3.78% during the month. As at 29th June 2018, the yield on the 3-year and 5-year GoM Bond remained unchanged at 4.25% and 4.87%, respectively. The 10-, 15- and 20-year GoM Bond remained flat at 5.58%, 5.21%, and 5.55% respectively as there was no bond issuance.

On the global market, the MSCI World ended the month with returns of -0.17%, in USD terms mainly due to trade concerns which weighed on equity markets dragging down Chinese and emerging markets. Strong economic data and earnings supported US stocks amidst raised volatility as S&P 500 ended the month with 0.48% in USD terms. Trade concerns continued to loom over markets as Trump administration announced several trade sanctions totaling USD 50bn against China, including curbing Chinese investment in US tech firms and blocking technology exports to China. The Federal Reserve raised interest rates by 25 basis points to reach 1.75%-2.00% p.a. and signaled two further hikes by the end of this year. The fiscal stimulus should keep growth going strong into 2019. Emerging markets' performance was heavily impacted with trade war tensions, the U.S. – North Korea summit and Japanese Prime Minister's scandal. Chinese markets lagged far behind as the Shanghai Composite Index lost 8.0% in CNY terms while the Hang Seng index lost 5.0%. Investors feared a potential imposition of a further \$100bn of tariffs against China, in addition to a previously announced \$50bn that appeared to be directly aimed at China's alleged intellectual property rights violations. However fundamentals remain solid as increase in private investment and government spending is expected to boost activity and confidence. The Nifty 50 fell by 1.0% in INR terms, over the month. The MPC of the Reserve Bank of India (RBI) held in June saw a hike in the Repo Rate by 25 bps to 6.25% p.a., for the first time after more than 4 years. The decision was mainly triggered in view to maintain financial stability and contain inflationary impact from higher oil prices and a weaker rupee.

On the global bond front, the Barclays Global Aggregate Index and JP Morgan Aggregate Bond Index registered -0.40% and -0.30%, in USD terms, during the month. Despite the tightness of the US labour market, with unemployment rate at 3.8% in May, there was a marginal increase in PCE index. The benchmark 10-yr US Treasury yields reached 2.86% by end of the month though it reached above 3% at one point in the month in response to the dovish Fed May meeting minutes and escalation of tensions related to US trade policies. The rise in risk aversion resulting from concerns over the Italian political crisis increased selling pressure on the currencies and bonds in many emerging market countries, which was already impacted by the resurgence of US dollar in the recent month.

Investment options & Contact details

Lump Sum	Minimum MUR 1000
Monthly Savings Plan	Minimum MUR 500
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