

SBM Yield Fund

31 July 2018

NAV per share

MUR 10.57

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 113.4M
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%

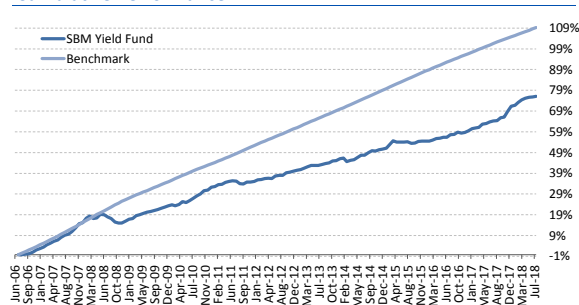
Fund Facts

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	0.0%	0.1%	0.2%

Fund vs Benchmark	1Y	3Y	5Y
Tracking error	1.9%	1.6%	1.6%
Correlation	-0.3	-0.5	-0.2
Beta	-13.1	-5.9	-2.1

Cumulative Return

	1M	3M	YTD	1Y	3Y	5Y	Launch	Annualized
Fund	0.2%	0.5%	2.8%	7.2%	14.1%	22.9%	76.3%	4.8%
Benchmark	0.3%	0.9%	2.2%	3.8%	13.4%	25.9%	109.4%	6.3%

Financial Year Return

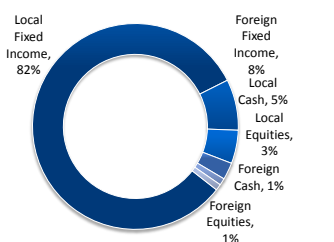
	2011	2012	2013	2014	2015	2016	2017	2018
Fund	7.5%	1.8%	3.7%	3.4%	4.3%	1.4%	4.8%	7.3%
Benchmark	6.0%	6.0%	5.6%	5.4%	4.9%	4.8%	4.3%	3.8%

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

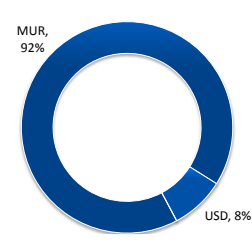
Distributions

	2011	2012	2013	2014	2015	2016	2017	2018
Dividend per unit	0.44	0.41	0.41	0.15	0.30	0.32	0.33	0.33
Dividend Yield	4.2%	4.0%	4.0%	1.5%	2.9%	3.1%	3.2%	3.0%

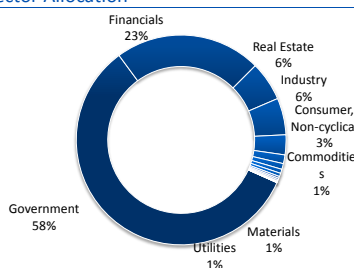
Asset Allocation



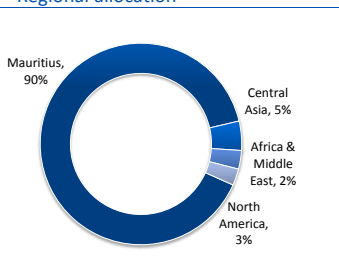
Currency Mix



Sector Allocation



Regional allocation



Fund Manager Commentary

The Net Asset Value (NAV) of the Fund stood at Rs10.57 as at end of July 2018, representing a return of 0.17% 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 3.64% to 3.48% over the month while the 182-day Government of Mauritius Treasury Bills decreased to 3.55% against 3.59% in its preceding issue. The yield on 364-Day Treasury Bills increased by 13 basis points to 3.65% during the month. The yield on the 3-year GoM Note fell from 4.25% to 4.16% while the yield on 5-year GoM Note remained unchanged at 4.87%. The 10-year GoM Note decreased from 5.58% to 5.35% during the month. The 15- and 20-year GoM Bond remained flat at 5.21%, and 5.55% respectively as there was no bond issuance.

The equity market ended to month in positive territory with MSCI World Index and the MSCI All-Countries ended returning at 3.05% and 2.89% respectively in USD terms. During the month, global trade tensions calmed down following U.S. President Trump and European Commission President Juncker meeting where they vowed to lower tariffs related to non-auto industrial goods and work to reform World Trade Organization rules to address unfair trade practices. US stocks rallied as the S&P 500 returned 3.6% while Nasdaq returned 2.2% during the month in USD. U.S. corporate earnings season kicked off with strong profits and sales growth as more than 80% of stocks positively surprised investors. Among the main laggards, were auto companies which registered lower than expected earnings on higher steel and aluminium prices. Eurostoxx 50 returned 3.8% for the month following the Trump-Juncker meeting discussing the lowering of tariffs. Emerging markets delivered positive returns as earnings momentum appeared solid and increasingly broad-based. The median earnings growth for stocks in the MSCI EM index is forecast to be more than 13% for 2018 and 2019. Although earnings growth was disproportionately concentrated in the technology sector in 2017, eight of eleven sectors are likely to deliver double-digit earnings growth in 2018. The Bank of Japan was reported to be mulling a more flexible approach to its yield curve control policy as well as a review of its ETF purchases. The Shanghai Composite Index (China) returned 1.0% while Nifty 50 (India) returned 6.0% in local currency terms.

On the global bond front, the Barclays Global Aggregate Index and JP Morgan Aggregate Bond Index registered -0.17% and -0.14%, in USD terms, during the month. Bond yields were higher in July led by speculation about the Bank of Japan preparing to tighten its accommodative monetary policy and causing the 30-year Government yields to move from 0.71% to 0.76%. The US 10-year Treasury yields rose by 10 basis points to 2.96% driven by positive economic news. The 10-year Bund yields rose from 0.30% to 0.44%. Italian 10-year yields rose from 2.68% to 2.72% and Spain's from 1.32% to 1.40%.

Investment options & Contact details

Lump Sum	Minimum MUR 1000
Monthly Savings Plan	Minimum MUR 500
Address	SBM Mauritius Asset Managers Ltd Level 12, Hennessy Tower Pope Hennessy Street, Port Louis

Telephone	202-1111 / 202-1701 / 202-1448
Fax	210-3369
E-mail	sbm.assetm@sbmgroup.mu
Website	nbfc.sbmgroup.mu/mam

Disclaimer: The information contained in this e-mail message, report, communication, letter, publication, and any attachment thereto, is strictly for information purposes only and is confidential and may not be disclosed without our express permission. It does not constitute an offer, or a solicitation of an offer, to purchase or sell any investment or other specific product by SBM Mauritius Asset Managers Ltd ("SBM MAM"). Although all information and opinions stated in this document are based on sources deemed to be reliable and in good faith, no representation or warranty, expressed or implied, is made or should be construed as to its accuracy and completeness. All information and views stated therein may be changed without any notification. The reader will bear in mind that certain services and products are subject to legal limitations and cannot be proposed on an unrestricted basis. Investors are reminded that past performance is not an indication of future performance. The price, value or income of the investment can go up or down. You are advised to consult your professional advisor before taking any decision or making an investment. SBM MAM disclaims all liability as regards any direct or consequential loss arising from any use of this message or the information contained therein.