

SBM Growth Fund

30 September 2018

NAV per Share

MUR 11.67

Fund Objective

SBM Growth Fund is an open-ended fund constituted as a Trust under the SBM Investment Unit Trust. It is duly authorised under the Securities Act 2005 and regulated by the Financial Services Commission. The investment objective of the Fund is to seek significant long-term capital growth by investing in a broadly diversified portfolio comprising of equity and equity related securities in both the local and foreign stock markets.

Risk Profile



Fund Profile

Inception Date:	Feb-16
Fund Size:	MUR 116M
Dealing Frequency:	Daily
Distribution:	Yearly (each financial year end)*
Management Fee:	1.00% p.a.
Entry Fee:	1.00%
Exit Fee:	Up to Yr2: 1.0% Yr3: 0.75% Yr4: 0.50% Yr5: 0.25% Nil after Yr5

*Depending on distributable income

Fund Facts

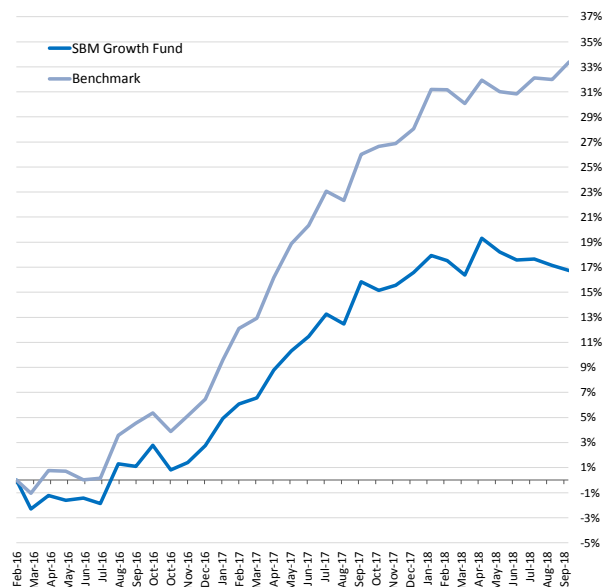
Fund Manager	SBM Mauritius Asset Managers Ltd
Benchmark	60% SEMTRI + 40% MSCI World All countries (USD)**
Fund Administrator	SBM Fund Services Ltd
Auditors	Ernst & Young
Custodian	SBM Bank (Mauritius) Ltd

**Converted in MUR

Top 10 Holdings

	% Net Assets
MCB Group Ltd	11.1%
SBM Holdings Ltd	6.2%
SPDR S&P 500 ETF	5.5%
Vanguard S&P 500 ETF	5.5%
Templeton Euroland Fund - A (Acc)	4.7%
IBL Ltd	4.5%
NMH Ltd	4.3%
SBM India Fund - Class A	3.9%
iShares Core S&P 500 ETF	3.5%
SBM Africa Value Fund	3.4%
Total	52.6%

Cumulative Performance



Investment options & Contact details

Lump Sum	Minimum MUR 2,000
Monthly Savings Plan	Minimum MUR 500
Address	SBM Mauritius Asset Managers Ltd Level 12, Hennessy Tower Pope Hennessy Street, Port-Louis

Cumulative Return

	1 M	3 M	6 M	YTD	1 Y	Inception	Annualised
Fund	-0.3%	-0.7%	0.3%	0.1%	0.8%	16.7%	6.0%
Benchmark	1.1%	2.0%	2.6%	4.2%	5.9%	33.4%	11.4%

Financial Year Return

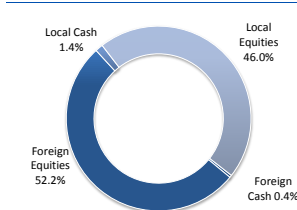
	2017	2018
Fund	13.6%	5.5%
Benchmark	20.2%	8.7%

*All returns are calculated assuming dividends are reinvested.

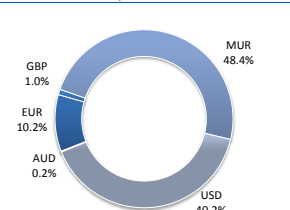
Risk Metrics

Volatility p.a.	1 Y
Fund	0.2%
Benchmark	1.7%
Tracking Error p.a.	1 Y
	2.4%

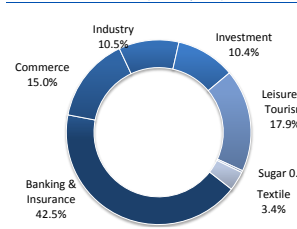
Asset Allocation



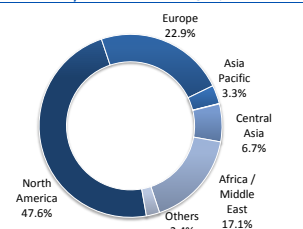
Currency Mix



Sector Allocation (Local Equities)



Country Allocation (Foreign Equities)



Fund Manager Commentary

The Net Asset Value (NAV) of the Fund fell from MUR 11.71 to MUR 11.67 during the month, equivalent to a return of -0.3%, while the benchmark posted 0.9% return over the same period. Local equity indices posted positive returns over the month with the SEMDEX and SEMTRI closing at 2,251.43 points and 8,226.84 points, thereby posting 1.4% MoM, respectively. The top three gainers for the month were Fincorp Investment Ltd, Rogers & Co Ltd and BlueLife Limited with respective performances of 14.2%, 10.5% and 6.6%. The top three losers were Terra Mauritica Ltd, Promotion and Development Ltd and The Mauritius Development Investment Trust Co. Ltd with a corresponding performances of -6.2%, -6.0% and -4.5%.

The MSCI World Index and the Barclays Aggregate Bond Index (U.S) ended the month with mixed returns of 0.4% and -0.9% respectively in USD terms. U.S. - China trade worries escalated again during the month, on the implementation of new import tariffs on USD 200Bn and USD 60Bn worth of goods however, global equity markets recovered some of their earlier losses as optimism on U.S. economic outlook outweighed the lingering trade tensions. With a strong GDP growth of 4.2% annualised for Q2 2018 and consumer confidence at its highest since 2000, the S&P 500 added 0.4% in USD returns over the month. While gains were driven by an uptick in developed markets, emerging equity markets suffered with MSCI EM dropping by 0.8% over the month. On policy side, the Fed raised rates by 25bps to reach a target range of 2%-2.25%, and a further rate hike is anticipated by year end.

In Europe, Stoxx Europe 600 gained 0.4% in USD terms on reports of a compromise on the Italian budget. While EU-UK talks continued to drag because of the Irish border issue, investors turned their attention to Italy's 2019 budget. The European Central Bank (ECB) left benchmark interest rates unchanged with policymakers arguing that the economy is robust enough to generate inflation. The ECB confirmed that bond purchases will be halved to EUR 15Bn per month as from October, in view of stopping Eurozone's quantitative easing by end of this year. The Nikkei 225 ended the month in positive territory, with a return of 5.5% in JPY terms. Faced with threat of tariffs, Prime Minister Shinzo agreed to start trade negotiations with President Trump, in a move of shielding Tokyo from the proposed 25% duty on imports of Japanese vehicles and automotive parts.

Emerging market equities have been weighed down by a slowdown in the pace of Chinese credit growth, fears over the vulnerability of some economies to tighter US monetary policy and concerns about the potential impact of global trade tensions. As the Fed continues to raise rates and unwind its balance sheet, EM countries with large dollar-denominated debts and significant, or widening, current account or fiscal deficits may continue to struggle. Higher oil prices are not helpful in this context for those EM economies that are large oil importers, particularly those whose currencies have fallen sharply, further increasing the cost of imports in local currency terms.

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