SBM Mauritius Asset Managers Ltd | **SBM**

SBM Growth Fund

31 October 2018 | **NAV per Share** **MUR 11.28**

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

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

Fund Profile

| Inception Date:	Feb-16
Fund Size:	MUR 112M
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	11.4%
SBM Holdings Ltd	6.2%
Vanguard S&P 500 ETF	5.3%
SPDR S&P 500 ETF	5.3%
IBL Ltd	4.8%
NMH Ltd	4.5%
Templeton Euroland Fund - A (Acc)	4.3%
iShares Core S&P 500 ETF	3.8%
SBM India Fund - Class A	3.4%
SBM Africa Value Fund	3.3%
Total	**52.3%**

Cumulative Performance
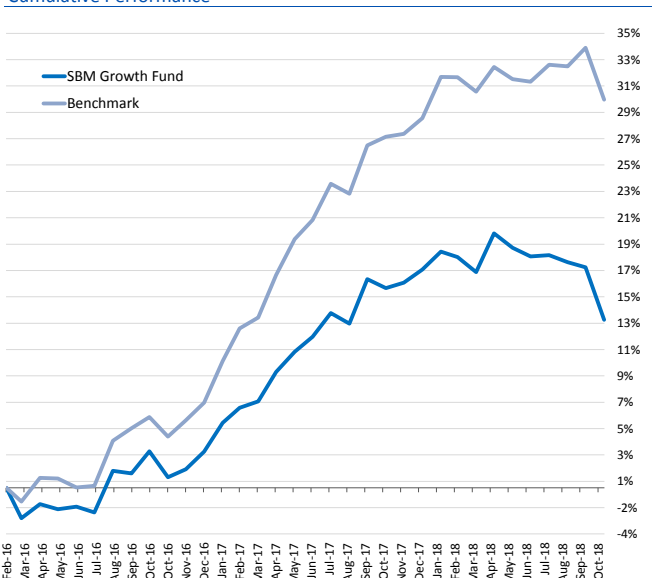
Cumulative Return

	1 M	3 M	6 M	YTD	1 Y	Inception	Annualised
Fund	-3.4%	-4.2%	-5.5%	-3.3%	-2.1%	12.8%	4.5%
Benchmark	-2.9%	-2.0%	-1.9%	1.1%	2.2%	29.5%	9.8%

Financial Year Return
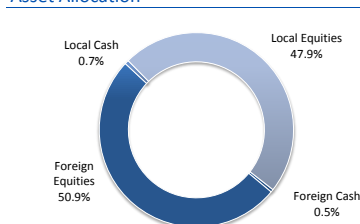
	2017	2018
Fund	13.6%	5.5%
Benchmark	20.2%	8.7%

*All returns are calculated assuming dividends are reinvested.

Risk Metrics

Volatility p.a.	1 Y
Fund	-0.6%
Benchmark	0.7%

Tracking Error p.a.	1 Y
	2.3%

Asset Allocation

Local Cash 0.7%
Local Equities 47.9%
Foreign Equities 50.9%
Foreign Cash 0.5%

Currency Mix

MUR 49.6%
GBP 0.9%
EUR 9.7%
AUD 0.2%
USD 39.6%
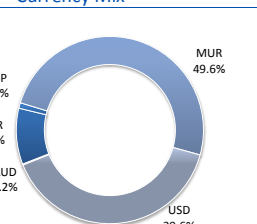
Sector Allocation (Local Equities)

Industry 11.7%
Investment 10.1%
Commerce 14.8%
Leisure & Tourism 18.2%
Sugar 0.3%
Textile 3.4%
Banking & Insurance 41.5%
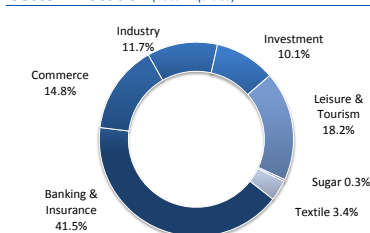
Country Allocation (Foreign Equities)

Europe 22.8%
Asia Pacific 10.0%
Central Asia 0.0%
Africa / Middle East 17.6%
Others 2.6%
North America 47.0%
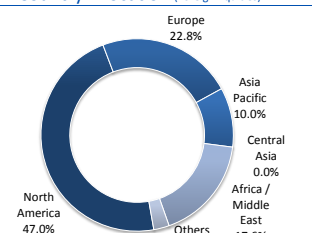
Fund Manager Commentary

The Net Asset Value (NAV) of the Fund fell from MUR 11.67 to MUR 11.28 during the month, equivalent to a return of -3.4%, while the benchmark posted -2.9% return over the same period.

Local equity indices posted negative returns over the month with the SEMDEX and SEMTRI closing at 2,239.57 points and 8,186.72 points, thereby both returning -0.5% MoM. The top three gainers for the month were Harel Mallac Ltd, Lux Island Resorts Ltd and BlueLife Limited with respective performances of 24.7%, 6.1% and 5.4%. The top three losers were Fincorp Investment Ltd, SBM Holdings Ltd and Rogers & Co. Ltd with a corresponding performances of –7.6%, -4.6% and –4.5%.

As an indication, the MSCI World Index and the Barclays Aggregate Bond Index (U.S) ended the month with negative returns of -7.4% and -1.1% respectively in USD terms. Market volatility returned over the month with the CBOE VIX at 21.23, peaking over 25 during the month. Emerging equity markets suffered with MSCI EM dropping by -8.8% in October.

Following a robust Q3 2018, equities reversed sharply to the downside with S&P 500 tumbling by 6.9% in USD returns over the month. U.S. Growth outlook remains healthy with headline CPI falling to 2.3% YoY in October, unemployment rate falling to 3.7% in September and consumer confidence remaining high. Though third quarter's earnings were good with more than 85% of the companies beating the consensus estimates, the increased tariff measures from U.S. was the source of concerns for investors. However, at the end of October, investors' sentiment perked up as U.S.-China trade tensions eased, with a potential agreement to be signed during the G20 summit in November.

In Europe, Stoxx Europe 600 registered a fall of 5.6% in EUR terms. Eurozone's composite PMI continued to disappoint, falling from 54.2 to 52.7 for October, its lowest level in more than 2 years. Concerns in Europe have not dissipated with the ongoing Brexit uncertainty and over the Italian government's fiscal position. The Italian budget plan, seeing deficit rising to 2.4% of the GDP, was rejected by the European Commission with the latter demanding a revised plan in view of meeting fiscal targets.

Emerging market equities have been weighed down by the rise of the dollar and slowing growth. The downward momentum in India worsened with BSE SENSEX registering a fall of 4.9% in INR terms during the month. During its October monetary policy meeting, the RBI kept its repo rate unchanged at 6.50%, consistent with its stance of monetary policy tightening. Japanese equities ended the month in negative territory with the Nikkei 225 returning -9.1% in JPY terms.

Investment options & Contact details

Lump Sum	Minimum MUR 2,000	Telephone	202-1111 / 202-1448 / 202-1701
Monthly Savings Plan	Minimum MUR 500	Fax	210-3369
Address	SBM Mauritius Asset Managers Ltd	E-mail	sbm.assetm@sbmgroup.mu
	Level 12, Hennessy Tower	Website	nbfc.sbmgroup.mu/mam
	Pope Hennessy Street, Port-Louis		

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