

SBM Yield Fund

30 November 2018

NAV per share MUR 10.65

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 141.9M
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%

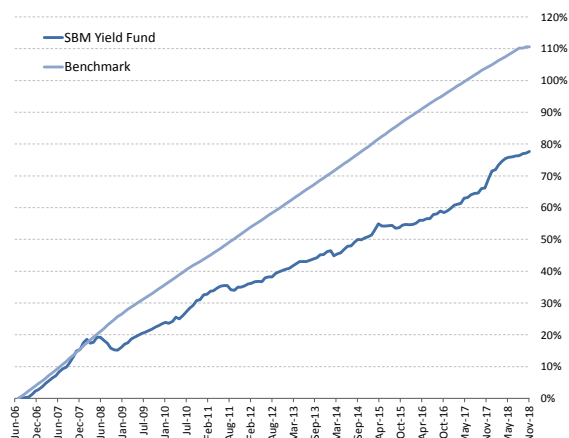
Fund Facts

Fund Manager	SBM Mauritius Asset Managers Ltd
Benchmark	60% GOM 3Y Notes + 40% Barclays Agg Bond Index
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	14.8%
Government of Mauritius Bond 11/05/2038	10.3%
Government of Mauritius Bond 22/07/2036	9.2%
Government of Mauritius Bond 22/01/2033	6.1%
SBM Maharaja Bond Fund	5.6%
15Y Inflation Indexed Bond 22/05/2030	5.4%
Government of Mauritius Bond 15/01/2036	5.4%
Ciel Note 02/02/2025	5.2%
SBM Masala Bond Note - Series B MUR 31/12/2019	5.1%
Evaco Ltd - Floating Rate Notes 16/06/2021	4.9%
TOTAL	72.0%

Cumulative Performance



Risk Metrics

Volatility p.a.	1Y	3Y	5Y
SBM Yield Fund	1.43%	1.42%	1.58%
Benchmark	0.43%	0.30%	0.30%

Fund vs Benchmark	1Y	3Y	5Y
Tracking error	1.86%	1.47%	1.64%
Correlation	4.93%	-15.98%	-15.45%

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

Cumulative Return

	1M	3M	6M	YTD	1Y	3Y	5Y	Launch	Annualized
Fund	0.3%	0.8%	1.0%	3.6%	5.1%	14.9%	22.3%	77.7%	4.7%
Benchmark	0.0%	0.2%	1.2%	2.7%	3.1%	12.2%	24.4%	110.6%	6.2%

Financial Year Return

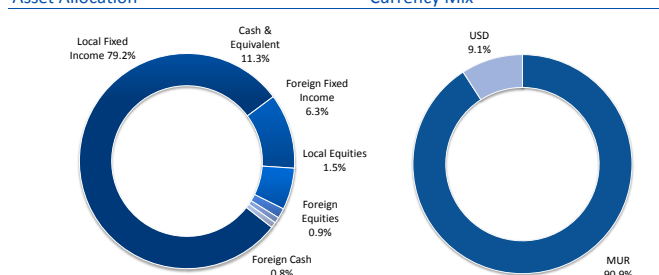
	2011	2012	2013	2014	2015	2016	2017	2018
Fund	7.5%	1.8%	3.7%	3.6%	4.3%	1.4%	4.8%	7.3%
Benchmark	6.0%	6.0%	5.6%	5.4%	5.3%	4.8%	4.3%	3.8%

*All returns are calculated assuming dividends are reinvested.

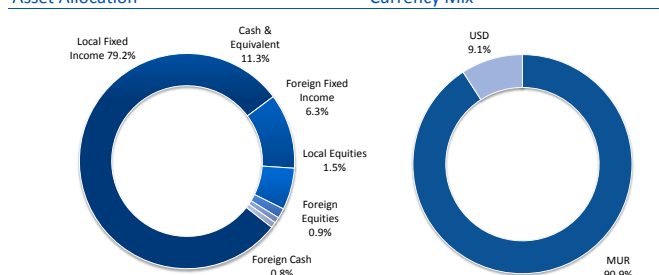
Distributions

	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%

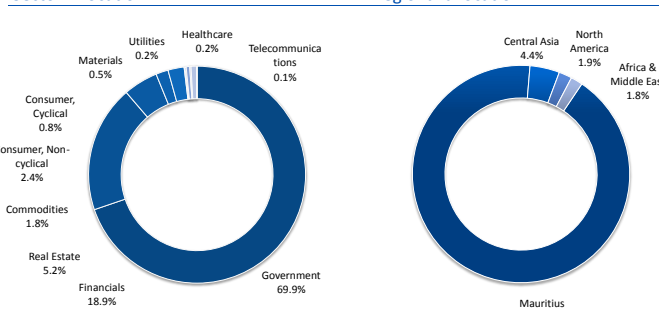
Asset Allocation



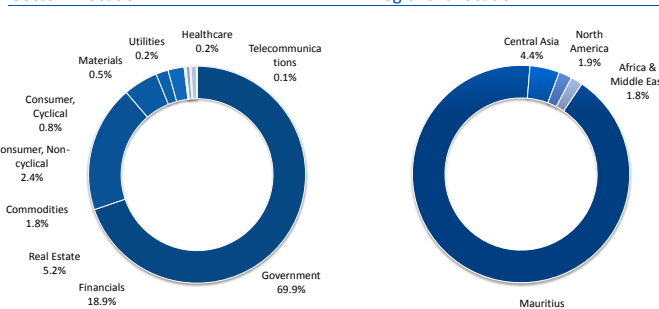
Currency Mix



Sector Allocation



Regional allocation



Fund Manager Commentary

The Net Asset Value (NAV) of the Fund stood at MUR 10.65 as at November 2018, representing a return of 0.3% over the month, while the benchmark yielded 0.0% in MUR terms over the same period.

During the month, the weighted average yield from the primary issue of 182-day Government of Mauritius Treasury Bills rose to 3.65% from 3.52% in October 2018. The yield on 364-day Treasury Bills fell by 3 basis points to 3.64% while for the 3-year GoM Note rose by 1 basis point to 4.55%. The yield on the 5-year GoM Bond rose from 5.13% to 5.15% and 15-year GoM Bond by 77 basis points to 5.98% from their preceeding issues. There was no issue of 91-day, 10-year and 20-year GoM bonds.

On foreign markets, the US 10-year Treasury yield fell back to 3.01% after markets became more concerned about the global growth outlook and the retreat in oil prices. During its November meeting, the Federal Reserve left rates unchanged, at par with market expectations. Fed commented on the strong economy and the healthy labour market. For the next meeting scheduled for mid-december, the market is attaching 80% probability to a rate hike. The expectation for further hikes next year has receded following the minutes of the November meeting and a speech by the Fed Chair stating that the rates are "just below" the neutral level.

In Europe, the ECB is still expected to end its quantitative easing programme by year end but the market is increasingly sceptical that the ECB will be able to lift interest rates in the second half of 2019 as per its current guidance. The rates on the main refinancing operations, interest rate on the marginal lending facility and the deposit facility have been maintained at 0.00%, 0.25% and -0.40% respectively.

Tensions between Brussels and Italy persisted regarding budget plans. The spread between Italian and German 10-year government bond yields fell back below 300 basis points towards month end, having peaked earlier in the month at above 320bps. The 10-year German bund fell by 21bps from 0.55% to 0.34%, while the UK Gilts fell from 1.44% to 1.36% over the month of November.

The Governor of the Bank of Japan (BoJ) proclaimed that Japan no longer requires the implementation of a large-scale policy to overcome deflation was judged as the most appropriate policy conduct. These remarks in turn highlighted the BoJ's steady shift towards a tightening bias on monetary policy. It has tapered off its asset purchases, while still proclaiming that it wants to buy ¥80tn a year.

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