

## SBM Yield Fund

31 December 2018

NAV per share MUR 10.69

## 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 142.6M
Issue / Redemption :	10 <sup>th</sup> , 20 <sup>th</sup> 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%

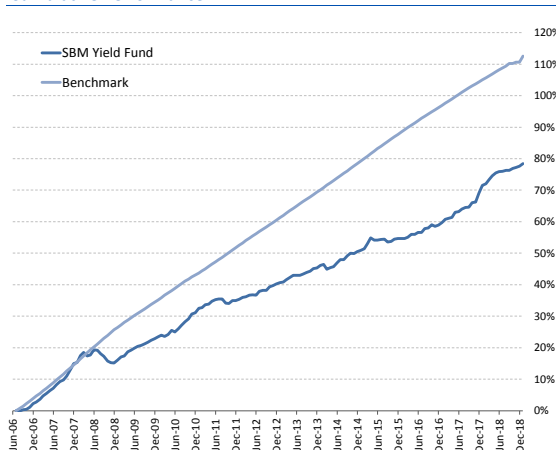
## Fund Facts

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	15.0%
Government of Mauritius Bond 11/05/2038	10.4%
Government of Mauritius Bond 22/07/2036	9.3%
Government of Mauritius Bond 22/01/2033	6.2%
SBM Maharaja Bond Fund	5.8%
15Y Inflation Indexed Bond 22/05/2030	5.5%
Government of Mauritius Bond 15/01/2036	5.5%
Ciel Note 02/02/2025	5.3%
SBM Masala Bond Note - Series B MUR 31/12/2019	5.2%
Evaco Ltd - Floating Rate Notes 16/06/2021	4.9%
<b>TOTAL</b>	<b>73.1%</b>

## Cumulative Performance



## Risk Metrics

Volatility p.a.	1Y	3Y	5Y
SBM Yield Fund	0.84%	1.40%	1.57%
Benchmark	0.79%	0.45%	0.39%

Fund vs Benchmark	1Y	3Y	5Y
Tracking error	1.43%	1.47%	1.64%
Correlation	10.46%	-2.14%	-7.08%

## Investment options &amp; 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	0.4%	0.8%	1.4%	4.0%	4.0%	15.4%	22.0%	78.4%	4.7%
Benchmark	0.9%	1.1%	1.8%	3.7%	3.7%	12.8%	24.9%	112.5%	6.2%

## Financial Year Return

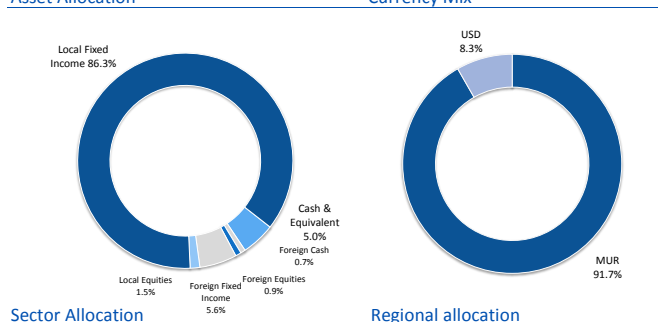
	2011	2012	2013	2014	2015	2016	2017	2018
Fund	7.5%	1.8%	3.7%	3.6%	4.3%	1.4%	4.8%	7.3%
Benchmark	6.0%	6.0%	5.6%	5.4%	5.3%	4.8%	4.3%	3.8%

\*All returns are calculated assuming dividends are reinvested.

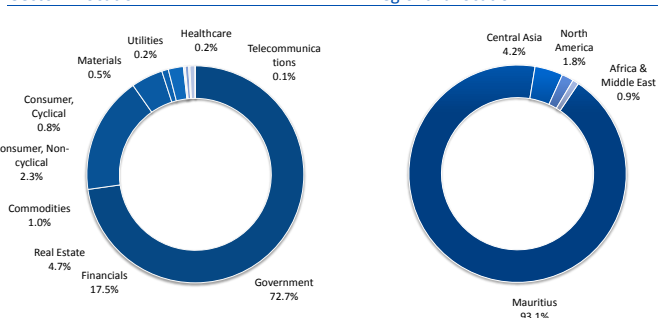
## Distributions

	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



## Sector Allocation



## Fund Manager Commentary

The Net Asset Value (NAV) of the Fund stood at MUR 10.69 as at December 2018, representing a return of 0.4% over the month, while the benchmark yielded 0.9% in MUR terms over the same period.

During the month, two Government Securities were issued for a total of MUR 38n; the yield on the 3-year GoM Note decreased from 4.55% to 4.32% while that on 10-year GoM Bond rose from 5.35% to 5.42%. With no issuances, the corresponding average weighted yields on 91-day, 182-day and 364-day Treasury Bills from preceding auctions were 3.45%, 3.65% and 3.64% while those on the 5-year, 15-year and 20-year GoM Notes were 5.15%, 5.98% and 6.12%, respectively.

In foreign markets, the yield on US 10-year Treasuries fell from 2.99% to 2.68% on concerns over global growth outlook and retreating oil prices. During the month, the Federal Reserve (Fed) raised its benchmark interest rate by 0.25% to reach a range of 2.25%-2.50%, signalling a tightening path of its monetary policy. The number of rate hikes foreseen in 2019 has been trimmed down from three to two along with a median projection of one rate hike for 2020.

The European Central Bank (ECB) ended its quantitative easing programme in December but kept rates on the main refinancing operations and the interest rates on the marginal lending facility and the deposit facility unchanged at 0.00%, 0.25% and -0.40% respectively. Bond yields in the EU witnessed downtrends, reflecting increased risk aversion and volatility amid continued macro uncertainty relating to trade tensions and geopolitics. German 10-year government bond yields declined from 0.31% to 0.24% on account of weak data. Italian 10-year yields fell from 3.21% to 2.74% over the month of December as the Italian government reached a deal with the EU with respect to its budget. The 10-year UK Gilts fell from 1.36% to 1.28% in December.

In Japan, the monetary authorities maintained the current stimulus settings on account of mounting inflation risks and Fed's more cautious stance on future rates. The yield curve control program and asset purchases were also kept unchanged. Sluggish wage growth and falling oil prices limited inflation path below the Bank of Japan's target of 2%.

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