

SBM Yield Fund

31 January 2019

NAV per share MUR 10.72

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 148.7M
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%

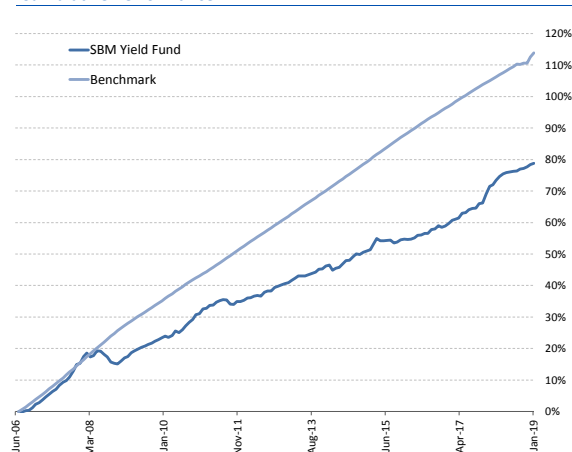
Fund Facts

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	14.6%
Government of Mauritius Bond 11/05/2038	10.6%
Government of Mauritius Bond 22/07/2036	9.2%
Government of Mauritius Bond 22/01/2033	6.1%
SBM Maharaja Bond Fund	5.7%
15Y Inflation Indexed Bond 22/05/2030	5.5%
Government of Mauritius Bond 15/01/2036	5.4%
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	5.0%
TOTAL	72.6%

Cumulative Performance



Risk Metrics

Volatility p.a.	1Y	3Y	5Y
SBM Yield Fund	0.84%	1.38%	1.57%
Benchmark	0.85%	0.48%	0.40%

Fund vs Benchmark	1Y	3Y	5Y
Tracking error	1.09%	1.48%	1.65%
Correlation	10.46%	-2.14%	-7.08%

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%	0.9%	1.4%	0.3%	4.0%	15.6%	22.1%	78.8%	4.7%
Benchmark	0.6%	1.5%	2.1%	0.6%	4.0%	13.0%	25.2%	113.8%	6.2%

Financial Year Return

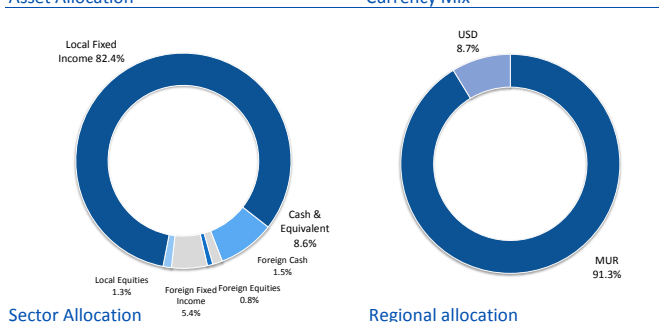
	2011	2012	2013	2014	2015	2016	2017	2018
Fund	7.5%	1.8%	3.7%	3.6%	4.3%	1.4%	4.8%	7.3%
Benchmark	6.0%	6.0%	5.6%	5.4%	5.3%	4.8%	4.3%	3.8%

* All returns are calculated assuming dividends are reinvested.

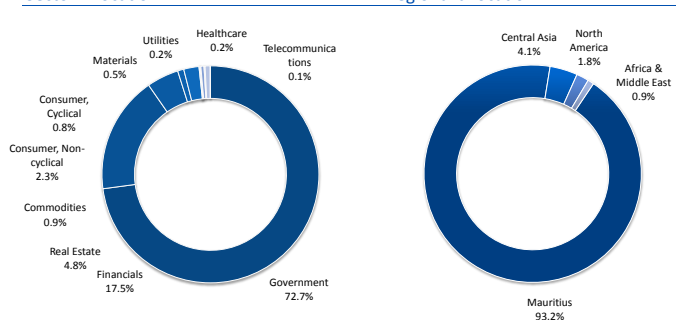
Distributions

	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 10.72 as at January 2019, representing a return of 0.3% over the month, while the benchmark yielded 0.6% 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 fell to 3.40% from 3.65% while that on 364-day Government of Mauritius Treasury Bills decreased from 3.64% to 3.60%. The yield on the 3-year GoM Bond fell from 4.32% to 4.03% and 5-year GoM Bond yield fell by 25 basis points to 4.90%. There was no issue of 91-day Treasury Bill, 10-year, 15-year and 20-year GoM bonds.

In foreign markets, US 10-year Treasury yield fell from 2.68% to 2.63% after Fed maintained its benchmark interest rate in the range of 2.25%-2.50% and adopted a dovish stance at its January monetary policy meeting.

The European Central Bank (ECB) kept rates unchanged on the main refinancing operations (0.00%), the marginal lending facility (0.25%) and the deposit facility (-0.40%). Given the current economic data and slowdown in economic activity, the ECB is not expected to raise rates in 2019.

European bond yields were generally on the decline during the month; German 10-year yields dropped from 0.24% to 0.15% on account of weak data, and Italian 10-year yields fell from 2.38% to 2.23% as initial estimates of Italian GDP for Q4 2018 showed a contraction of 0.2% over the previous quarter. 10-year UK Gilts ended the month 6bps lower than in its December reading of 1.28%.

Similar to the ECB, the Bank of Japan also kept its monetary policy tools unchanged. Inflation forecast for the fiscal year 2019 was downgraded from 1.4% to 0.9%.

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