

## SBM Yield Fund

28 February 2019

NAV per share

MUR 10.74

## 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
-----	-----------------	----------	------------------	------

## Fund Profile

Inception Date	Jun-06
Fund Size	MUR 150.4M
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

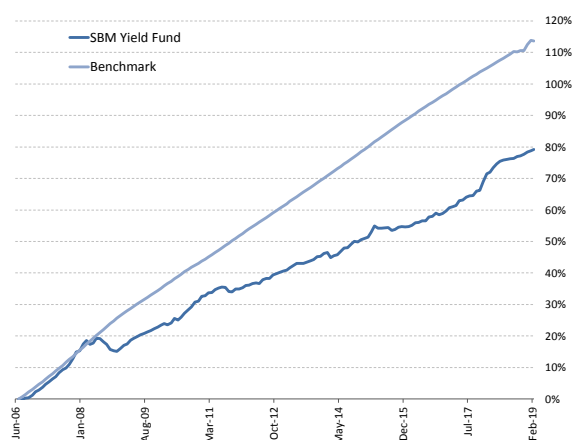
Fund Manager	SBM Mauritius Asset Managers Ltd
Benchmark	60% GOM 3Y Notes + 40% Barclays Agg Bond Index
Fund Administrator	SBM Fund Services Ltd
Auditors	Ernst & Young
Custodian	SBM Bank (Mauritius) Ltd

## Top 10 Holdings

% Net Assets

Government of Mauritius Bond 25/01/2028	13.8%
Government of Mauritius Bond 11/05/2038	10.7%
Government of Mauritius Bond 22/07/2036	9.3%
Government of Mauritius Bond 22/01/2033	6.2%
SBM Maharaja Bond Fund	5.7%
15Y Inflation Indexed Bond 22/05/2030	5.6%
Government of Mauritius Bond 15/01/2036	5.4%
SBM Masala Bond Note - Series B MUR 31/12/2019	5.3%
Ciel Note 02/02/2025	5.1%
Evaco Ltd - Floating Rate Notes 16/06/2021	5.0%
<b>TOTAL</b>	<b>72.1%</b>

## Cumulative Performance



## Risk Metrics

Volatility p.a.	1Y	3Y	5Y
SBM Yield Fund	0.65%	1.39%	1.44%
Benchmark	0.95%	0.54%	0.45%

Fund vs Benchmark	1Y	3Y	5Y
Tracking error	1.15%	1.48%	1.65%
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	0.2%	0.9%	1.6%	0.5%	3.4%	15.5%	23.7%	79.2%	4.7%
Benchmark	-0.1%	1.4%	1.6%	0.5%	3.6%	12.5%	24.5%	113.6%	6.2%

## Financial Year Return

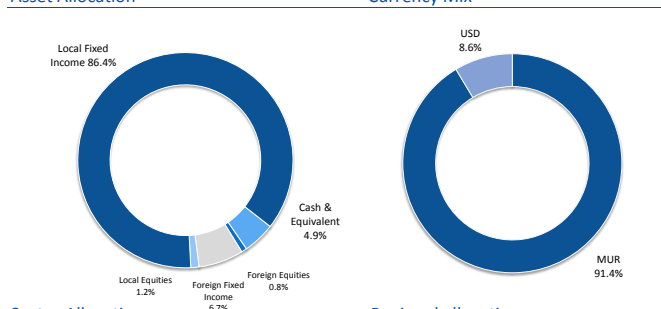
	2011	2012	2013	2014	2015	2016	2017	2018
Fund	7.5%	1.8%	3.7%	3.6%	4.3%	1.4%	4.8%	7.3%
Benchmark	6.0%	6.0%	5.6%	5.4%	5.3%	4.8%	4.3%	3.8%

\*All returns are calculated assuming dividends are reinvested.

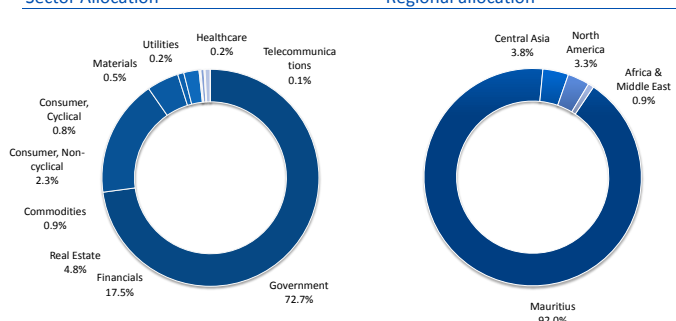
## Distributions

	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



## Sector Allocation



## Fund Manager Commentary

The Net Asset Value (NAV) of the Fund stood at MUR 10.74 as at February 2019, representing a return of 0.2% over the month, while the benchmark yielded -0.1% 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 from 3.40% to 3.48% and 364-day Government of Mauritius Treasury Bills moved from 3.60% to 3.62%. The yield on the 3-year GoM Bond rose from 4.03% to 4.08% while 20-year GoM Bond yield fell by 8 basis points to 6.04%. There was no issue 5-year, 10-year and 15-year GoM bonds.

In foreign markets, US 10-year Treasury yield rose from 2.63% to 2.72%. Investor sentiment remained positive following the dovish shift from the Fed. It is expected that the Fed will avoid raising rates until the second half of 2019 following its dovish rhetoric and adopt a data-dependent stance in its monetary policy decision.

Euro area data have been weaker than expected in recent months, indicating slowing economic growth. Given the downside risks to the growth outlook, the European Central Bank (ECB) decided to retain its policy stance and kept rates unchanged on the main refinancing operations (0.00%), the marginal lending facility (0.25%) and the deposit facility (-0.40%) during its last monetary policy meeting in January.

European bond yields were generally on the decline during the month; German 10-year yields rose from 0.15% to 0.18% and 10-year UK Gilts ended the month 8bps higher than in its January reading of 1.22%. UK Gilt yields registered a rise during the month on the likelihood of a delayed Brexit and growing expectation that a "no-deal" Brexit would be avoided. Italian 10-year yields also increased from 2.59% to 2.75% as pressure in the Italian bond markets eased following the decision of Fitch to keep Italian sovereign rating unchanged.

Similar to the ECB, the Bank of Japan (BoJ) also kept its monetary policy tools unchanged during its last meeting in January. The BoJ remains far from achieving its target inflation and is expected to continue pursuing its loose monetary policy.

Emerging market USD sovereign bonds were on the rise while local currency bonds fell as a number of emerging market currencies came under pressure on idiosyncratic factors.

**Disclaimer:** The information contained in this e-mail message, report, communication, letter, publication, and any attachment thereto, is strictly for information purposes only and is confidential and may not be disclosed without our express permission. It does not constitute an offer, or a solicitation of an offer, to purchase or sell any investment or other specific product by SBM Mauritius Asset Managers Ltd ("SBM MAM"). Although all information and opinions stated in this document are based on sources deemed to be reliable and in good faith, no representation or warranty, expressed or implied, is made or should be construed as to its accuracy and completeness. All information and views stated therein may be changed without any notification. The reader will bear in mind that certain services and products are subject to legal limitations and cannot be proposed on an unrestricted basis. Investors are reminded that past performance is not an indication of future performance. The price, value or income of the investment can go up or down. You are advised to consult your professional advisor before taking any decision or making an investment. SBM MAM disclaims all liability as regards any direct or consequential loss arising from any use of this message or the information contained therein.