

SBM Yield Fund

30 April 2019

NAV per share

MUR 10.82

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 174.5M
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%

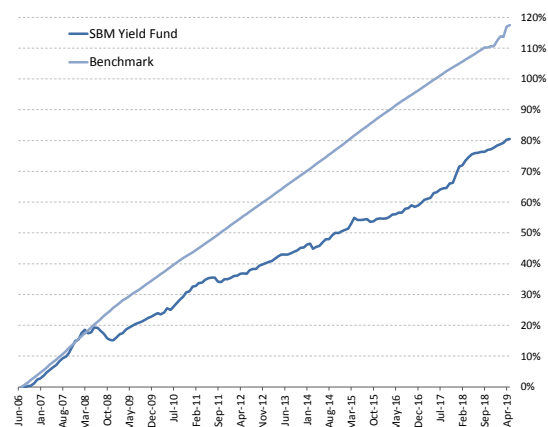
Fund Facts

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	10.6%
Government of Mauritius Bond 22/07/2036	9.2%
Government of Mauritius Bond 22/01/2033	6.2%
SBM Maharaja Bond Fund	5.9%
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	5.2%
Ciel Note 02/02/2025	5.2%
Evaco Ltd - Floating Rate Notes 16/06/2021	4.9%
TOTAL	73.0%

Cumulative Performance



Risk Metrics

Volatility p.a.	1Y	3Y	5Y
SBM Yield Fund	0.56%	1.38%	1.44%
Benchmark	1.61%	0.91%	0.71%

Fund vs Benchmark	1Y	3Y	5Y
Tracking error	1.34%	1.60%	1.57%
Correlation	68.44%	9.05%	-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	0.1%	0.9%	1.9%	1.2%	2.9%	15.7%	23.8%	80.5%	4.7%
Benchmark	0.2%	1.7%	3.3%	2.3%	4.8%	13.7%	25.7%	117.5%	6.2%

*All returns are calculated assuming dividends are reinvested.

Financial Year Return

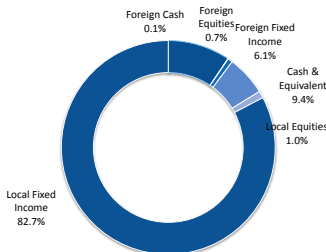
	2010	2011	2012	2013	2014	2015	2016	2017	2018
Fund	4.7%	7.5%	1.8%	3.7%	3.6%	4.3%	1.4%	4.8%	7.3%
Benchmark	6.7%	6.0%	6.0%	5.6%	5.4%	5.3%	4.8%	4.3%	3.8%

*Financial year as at June

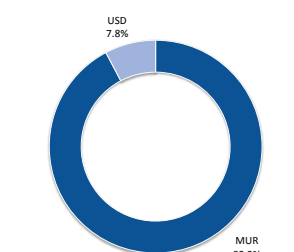
Distributions

	2010	2011	2012	2013	2014	2015	2016	2017	2018
Dividend per unit	0.57	0.44	0.41	0.41	0.15	0.30	0.32	0.33	0.33
Dividend Yield	5.5%	4.2%	4.0%	4.0%	1.5%	2.9%	3.1%	3.2%	3.0%

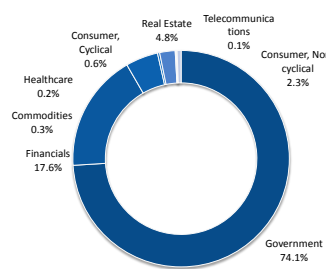
Asset Allocation



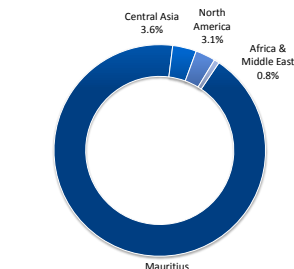
Currency Mix



Sector Allocation



Regional allocation



Fund Manager Commentary

The Net Asset Value (NAV) of the Fund stood at MUR 10.82 as at April 2019, representing a return of 0.1% over the month, while the benchmark yielded 0.2% 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 3.31% to 3.35% and the 364-day Government of Mauritius Treasury Bills from 3.50% to 3.52%. Similarly, the yield on the 3-year GoM Bond rose from 3.91% to 3.93% while the 5-year GoM Bond fell from 4.58% to 4.48%. There was no issue of 91-day Treasury Bill, 10-year and 15-year and 20-year GoM bonds.

In foreign markets, the Barclays Global Aggregate index and JP Morgan Aggregate Bond index posted respective USD returns of -0.3% and -0.4% during the month. US 10-year Treasury yield rose by 10 basis points to 2.51%, with long rates rising more than short, modestly steepening the curve. The upward pressure on rates was driven by signs of stabilization in the global economy led by China and continued improvement in risk assets. During its last FOMC meeting, the Fed maintained the federal funds rate at 2.25%-2.50%.

The European Central Bank (ECB) left rates unchanged during the month, with interest rate on the main refinancing operations, the marginal lending facility and the deposit facility standing at 0.00%, 0.25% and -0.40% respectively. Rates are expected to remain at their present levels at least through the end of 2019, on the back of slower growth momentum expected to extend further and in view of ensuring continued sustained convergence of inflation below but close to 2% over the medium term.

European bond yields shifted higher in April following promising economic data. German 10-year yields rose from -0.07% to 0.01% over optimism on US-China trade talks. 10-year UK Gilts yield also rose by 19 bps to reach 1.19% in April. The difference between UK Gilt yield and German bond yields widened as the latest extension to Brexit deadline prompted investors to sell UK Gilts. Italian 10-year yields increased from 2.49% to 2.56% on deficit breach concerns with a Bank of Italy official announcing that Italy's deficit would rise to 3.4% of GDP in 2020, thereby breaching EU regulations.

Similar to the ECB, the Bank of Japan (BoJ) maintained its short-term rate target at -0.1% and that of long-term yields at around 0% at its last meeting held in April. It is expected that the BoJ will maintain the current extremely low levels of rates for an extended period of time, at least through around spring 2020. The BoJ in its latest projections slightly cut its economic growth from 1% to 0.9% for its fiscal year beginning April 2020.

With respect to emerging market (EM) bonds, EM corporates outperformed government bonds. 10-year Indian yields added 6bps, rising to 7.41%. Following its last MPC meeting in April, the Reserve Bank of India decided to cut its policy repo rate by 25bps to 6% from 6.25%, hence maintaining its neutral monetary policy stance. China 10-year yields increased from 3.10% to 3.43% amid positive economic data surprises and stabilising inflation.

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