

SBM Growth Fund

30 August 2019

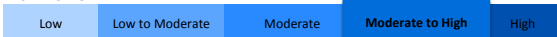
NAV per Share

MUR 11.52

Fund Objective

SBM Growth Fund is an open-ended fund constituted as a Trust under the SBM Investment Unit Trust. It is duly authorised under the Securities Act 2005 and regulated by the Financial Services Commission. The investment objective of the Fund is to seek significant long-term capital growth by investing in a broadly diversified portfolio comprising of equity and equity related securities in both the local and foreign stock markets.

Risk Profile



Fund Profile

Inception Date	Feb-16
Fund Size	MUR 115M
Dealing Frequency	Daily
Distribution	Yearly (each financial year end)*
Management Fee	1.00% p.a.
Entry Fee	1.00%
Exit Fee	Up to Yr2: 1.0% Yr3: 0.75% Yr4: 0.50% Yr5: 0.25% Nil after Yr5

*Depending on distributable income

Fund Facts

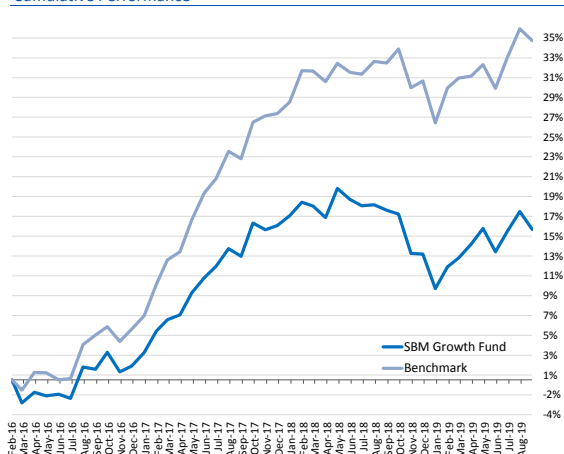
Fund Manager	SBM Mauritius Asset Managers Ltd
Benchmark	60% SEMTRI + 40% MSCI All Countries World (USD)**
Fund Administrator	SBM Fund Services Ltd
Auditors	Ernst & Young
Custodian	SBM Bank (Mauritius) Ltd

**Converted in MUR

Top 10 Holdings

	% Net Assets
MCB Group Ltd	15.9%
SPDR S&P 500 ETF	6.3%
Vanguard S&P 500 ETF	6.3%
SBM Holdings Ltd	5.9%
IBL Ltd	5.6%
Templeton Eurobond Fund - A (Acc)	4.5%
SBM Africa Value Fund	3.7%
NMHL Ltd	3.5%
SBM India Fund - Class A	3.2%
Grit Real Estate Income Group	3.0%
Total	57.9%

Cumulative Performance



Risk Metrics

Volatility p.a.	1 Y	3 Y	Tracking Error p.a.	1 Y	3 Y
Fund	6.8%	5.3%	Fund	2.3%	2.1%
Benchmark	7.0%	5.5%			

Investment options & Contact details

Lump Sum	Minimum MUR 2,000
Monthly Savings Plan	Minimum MUR 500
Address	SBM Mauritius Asset Managers Ltd
	Level 12, Hennessy Tower
	Pope Hennessy Street, Port-Louis

Cumulative Return

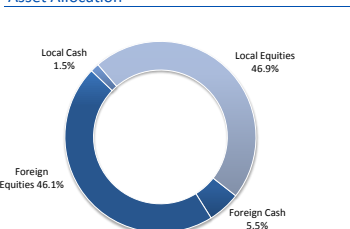
	1 M	3 M	6 M	YTD	1 Y	3 Y	Inception	Annualised
Fund	-1.6%	2.0%	2.5%	5.4%	-1.7%	13.9%	15.2%	4.0%
Benchmark	-0.9%	3.7%	2.9%	6.6%	1.7%	28.4%	34.2%	8.6%

Financial Year Return

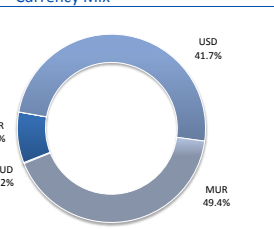
	2017	2018	2019
Fund	13.6%	5.5%	-2.2%
Benchmark	20.2%	8.7%	1.3%

*All returns are calculated assuming dividends are reinvested.

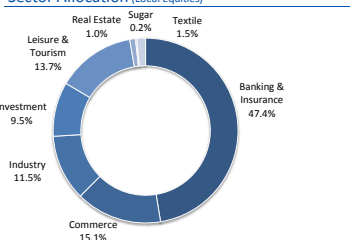
Asset Allocation



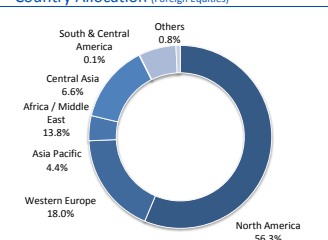
Currency Mix



Sector Allocation (Local Equities)



Country Allocation (Foreign Equities)



Market Commentary

The Net Asset Value (NAV) of the Fund fell from MUR 11.70 to MUR 11.52 in August, equivalent to a return of -1.6%, while the benchmark returned -0.9% over the same period.

Local equity indices registered positive performances during the month with the SEMDEX and DEMEX closing at 2,161.98 points and 238.89 points, equivalent to 0.1% and 3.5% MoM, respectively. The top three gainers for the month were Vivo Energy Mauritius Ltd (+13.1%), SBM Holdings Ltd (+5.9%) and Promotion & Development Ltd (+5.7%). The top three losers were New Mauritius Hotels Ltd (-10.1%), Sun Limited (-9.9%) and Omnicanne Ltd (-7.7%).

The MSCI World Index registered a monthly performance of -2.2% in USD terms while the Barclays Aggregate Bond Index posted USD returns of 2.0% over the same period. Emerging market equities underperformed developed markets with MSCI EM returning -5.1%. Volatility peaked in August with the CBOE VIX hovering around 18.98, compared to a preceding reading of 16.12 in July.

The S&P 500 index declined by -1.8% in USD terms as August headlines were again dominated by growth worries and rising risk of an economic downturn. Manufacturing Purchasing Managers' Index (PMI) dropped to 50.3, its lowest reading since September 2009, compared to a preceding reading of 50.4 in July, attributable to an intensifying decline in exports. US GDP growth for Q2 2019 was revised downward to 2.0% from an estimate of 2.1% while employment data remained healthy with 164,000 jobs added and wage growth of 3.2% YoY in July. At the Jackson Hole meeting in August, Fed Chairman Jerome Powell reiterated that the Fed will act as appropriate to sustain the expansion.

The performance of the EuroStoxx 50 was in line with global peers, shedding -1.2% in EUR terms. The Eurozone manufacturing PMI improved slightly, rising from its July reading of 46.5 to 47.0 in August. PMI nonetheless remained in the contractionary territory as production and new orders continue to fall. In Germany, the DAX index registered negative returns of -2.1% following the weakening economic data - Manufacturing PMI remained below the 50 mark at 43.5 with principal weakness being weak demand as new orders fell sharply and production scaled back again.

Investor expectations were however lifted by new stimulus measures from the ECB in September. In Italy, the FTSE MIB shed -0.4% amid the political uncertainties hovering over the economy. Sell-off on the FTSE MIB were capped at -0.4% as Italian assets rallied late in August on hopes that the new coalition government between the centre-left Democratic party and the anti-establishment Five Star Movement would put an end to the political crisis. UK was the worst-performing stock market in Europe with the FTSE 100 posting negative returns of -5.0% in August spooked by the rising probability of a no-deal Brexit and the inversion of the US and UK yield curves.

Japanese equities ended in negative territory with the Nikkei 225 returning -3.8% in JPY terms in August over growing concerns on the U.S.-China trade tensions. Japan's manufacturing sector remained stuck in a downturn with the manufacturing PMI at 49.3, reflecting production cutbacks and sluggish demand.

Emerging market equities underperformed developed markets with the MSCI Emerging index posting a USD return of -5.1% as increased concerns over the global economic outlook and rising recession fears impacted investor sentiment. Shanghai Composite Index declined by -1.6% in CNY terms amid the re-escalation in trade tensions. A marginal expansion in output and stable orders led to an improved manufacturing PMI of 50.4 in August against a preceding reading of 49.9, signalling a renewed improvement in the overall health of China's manufacturing sector. Indian equities extended its previous month's loss with the BSE Sensex registering INR returns of -0.4%. Economic slowdown was highlighted by FY20 Q1 GDP growth falling to a 6-year low of 5.0% and manufacturing PMI dropping from 52.5 to 51.4 over the month.

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