

SBM Yield Fund

30 September 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 |
|-----|-----------------|----------|------------------|------|
| | | | | |

Fund Profile

| | |
|--------------------|---|
| Inception Date | Jun-06 |
| Fund Size | MUR 167.7M |
| 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% |

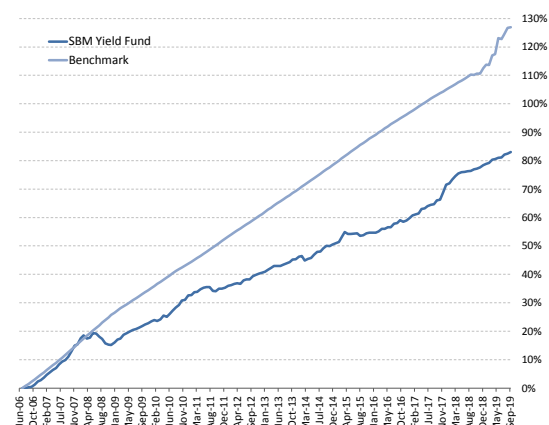
Fund Facts

| | |
|--------------------|--|
| 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 08/02/2039 | 12.1% |
| Government of Mauritius Bond 25/01/2028 | 9.6% |
| Government of Mauritius Bond 07/09/2038 | 7.4% |
| Government of Mauritius Bond 11/05/2038 | 6.9% |
| IBL Ltd Series 2 Notes 08/09/2022 | 6.8% |
| Government of Mauritius Bond 22/07/2036 | 6.0% |
| Government of Mauritius Bond 05/11/2023 | 5.5% |
| Government of Mauritius Bond 09/11/2033 | 4.8% |
| SBM Maharaja Bond Fund | 4.1% |
| Government of Mauritius Bond 22/01/2033 | 4.0% |
| TOTAL | 67.2% |

Cumulative Performance



Risk Metrics

| Volatility p.a. | 1Y | 3Y | 5Y |
|-----------------|-------|-------|-------|
| SBM Yield Fund | 0.57% | 1.35% | 1.40% |
| Benchmark | 2.78% | 1.66% | 1.28% |

| Fund vs Benchmark | 1Y | 3Y | 5Y |
|-------------------|--------|-------|-------|
| Tracking error | 2.60% | 2.11% | 1.87% |
| Correlation | 46.79% | 4.45% | 3.68% |

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% | 1.0% | 1.5% | 2.6% | 3.4% | 15.1% | 22.0% | 83.0% | 4.7% |
| Benchmark | 0.1% | 1.9% | 4.6% | 6.8% | 8.0% | 16.5% | 28.3% | 126.9% | 6.4% |

*All returns are calculated assuming dividends are reinvested.

Financial Year Return

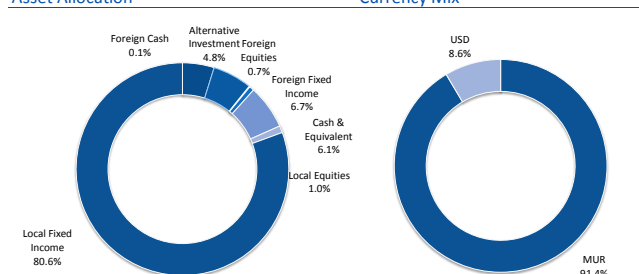
| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|-----------|------|------|------|------|------|------|------|------|------|
| Fund | 7.5% | 1.8% | 3.7% | 3.4% | 4.3% | 1.4% | 4.8% | 7.3% | 2.9% |
| Benchmark | 6.0% | 6.0% | 5.6% | 5.4% | 5.3% | 4.8% | 4.3% | 3.8% | 6.7% |

*Financial year as at June

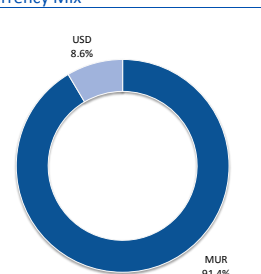
Distributions

| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|-------------------|------|------|------|------|------|------|------|------|------|
| Dividend per unit | 0.44 | 0.41 | 0.41 | 0.15 | 0.30 | 0.32 | 0.33 | 0.33 | 0.25 |
| Dividend Yield | 4.2% | 4.0% | 4.0% | 1.5% | 2.9% | 3.1% | 3.2% | 3.0% | 2.3% |

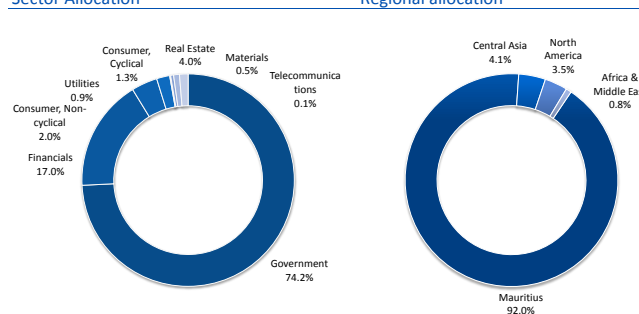
Asset Allocation



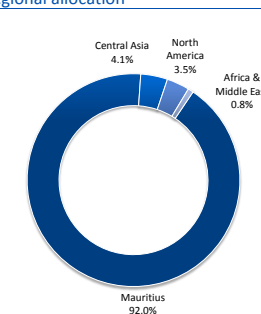
Currency Mix



Sector Allocation



Regional allocation



Market Commentary

The Net Asset Value (NAV) of the Fund stood at MUR 10.72 as at September 2019, registering a return of 0.3% over the month, while the benchmark yielded 1.0% in MUR terms over the same period.

Yields on the secondary market dropped during the month. YTM on 182D Treasury Bills fell from 2.93% in August to 2.83% while for 364D Treasury Bills fell from 3.11% to 2.94%. YTM on 3Y GOM Notes stood at 3.55% in September and 5Y GOM Bonds at 3.97%, falling from 3.70% and 4.05% in August, respectively. 15Y GOM Bonds witnessed same trend, shedding 20 basis points to a YTM of 5.09% in September compared to a YTM of 5.29% the previous month.

The Government of Mauritius issued only MUR 1.5Mn worth of 20Y GOM Bonds at a weighted average yield of 4.41% on the primary market which traded at a YTM of 4.54% during the month.

On the fixed income front, the Barclays Global Aggregate Bond index and JP Morgan Aggregate Bond index both shed -1.0% in USD terms during the month. Government yields rose in September driven by stronger risk appetite on the equities markets as trade tensions eased. US 10-year Treasury yield rose from 1.5% in August to 1.8% in September after Fed further cut rates by 25 basis points to reach a target range of 1.75%-2.00%.

As a result of slowing economic activity and low inflation environment, the European Central Bank (ECB) cut the deposit interest rate by 0.10% to -0.50% in September and announced that the resumption of monthly asset purchase of EUR 20M starting November 2019. Interest rate on the main refinancing operations and the rate on the marginal lending facility remained unchanged at 0.00% and 0.25% respectively. German 10-year yields fell from -0.33% to -0.61%. 10-year UK Gilts marginally fell from 0.83% to 0.49%. Italian 10-year yields fell from 2.10% to 0.82%.

The Bank of Japan (BoJ) kept its monetary policy on hold during its meeting in September by maintaining its short-term rate target at -0.1% and that of long-term yields at around 0%. The BoJ further announced a review of its monetary policy at its next meeting post the consumption tax hike in October 2019, as downside risks continue to increase amid continued slowdown in overseas economies.

On the emerging market fixed income front, 10-year Indian yields rose from 6.56% to 6.70%. China 10-year yields also rose from 3.06% to 3.14% in September following the reduction in the Reserve Requirement Ratio by 50 basis points.

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