

SBM Universal Fund

31 October 2019

NAV per Share

MUR 26.97

Fund Objective

SBM Universal Fund is an open-ended fund constituted as a Trust under the SBM Unit Trust. It is duly authorised under the Securities Act 2005 and regulated by the Financial Services Commission. The fund invests in equities and fixed income instruments in the domestic and international market whilst keeping a balanced-risk strategy. The overall objective of the fund is to provide regular income and maximise returns on a long term basis for the benefit of the unit-holders.

Risk Profile



Fund Profile

Inception Date	Jun-02
Currency	MUR
Fund Size	MUR 385M
Issue / Redemption	Daily
Distribution	Yearly
Management Fee	1.0% p.a
Entry Fee	1.0%
Exit Fee	1.0%

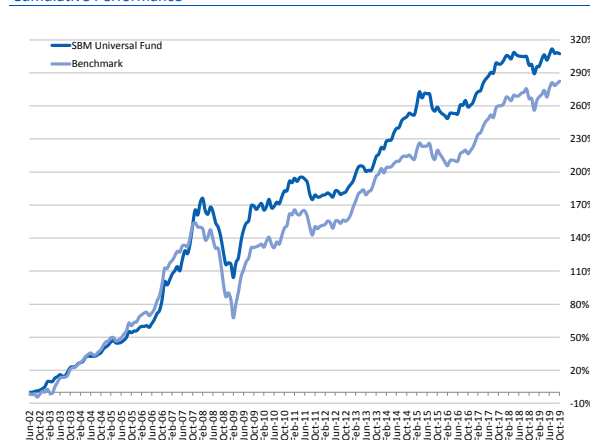
Fund Facts

Fund Manager	SBM Mauritius Asset Managers Ltd
Benchmark	35% SEMDEX + 30% 1 yr Govt of Mauritius Bill + 35% MSCI World (MUR)
Fund Administrator	SBM Fund Services Ltd
Auditors	Ernst & Young
Custodian	SBM Bank (Mauritius) Ltd

Top 10 Holdings

	% Net Assets
MCB Group Limited	11.9%
Mutual Aid - Fixed Deposit	9.2%
MHC - Fixed Deposit	6.3%
SIT Bond	5.1%
SBM Holdings Ltd	4.5%
Afrexim Depository Receipts	4.3%
Fidelity European Larger Companies Fund	3.8%
IBL Ltd	3.6%
Fidelity America Fund	3.0%
SBM Masala Bond Note - Series A USD	2.8%
Total	54.5%

Cumulative Performance



Dividend per unit (MUR)



Risk Metrics

Volatility p.a.	1Y	3Y	5Y
Fund	4.2%	3.5%	4.2%
Benchmark	5.3%	4.1%	4.5%

Tracking Error p.a.	1Y	3Y	5Y
Fund	2.3%	1.7%	1.9%

Investment options & Contact details

Lump Sum	Minimum amount of 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	Inception	Annualized
Fund	-0.2%	-1.1%	0.2%	4.7%	2.6%	13.5%	16.3%	307.4%	8.4%
Benchmark	0.6%	0.4%	2.2%	7.4%	4.3%	20.8%	21.8%	282.5%	8.0%

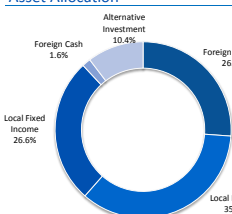
*All returns are calculated assuming dividends are reinvested.

Financial Year Return

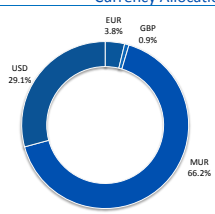
	2011	2012	2013	2014	2015	2016	2017	2018	2019
Fund	9.2%	-3.7%	6.3%	13.0%	9.3%	-5.0%	9.7%	4.7%	0.3%
Benchmark	14.5%	-3.6%	9.4%	10.9%	4.5%	-4.3%	12.4%	6.1%	1.8%

*Financial year as at June

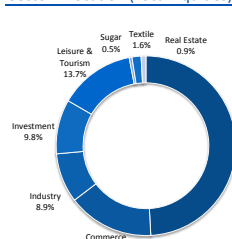
Asset Allocation



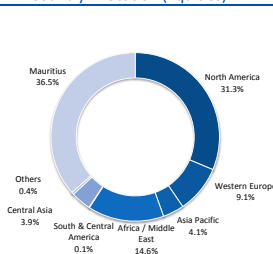
Currency Allocation



Sector Allocation (Local Equities)



Country Allocation (Equities)



Market Commentary

The Net Asset Value (NAV) of the Fund fell from MUR 27.04 to MUR 26.97 in October, equivalent to a performance of -0.2%, while the benchmark posted a return of 0.6%.

Local equity indices registered negative performances during the month with the SEMDEX and DEMEX closing at 2,118.84 points and 231.32 points, equivalent to -0.4% and -2.3% MoM, respectively. The top three gainers for the month were National Investment Trust Ltd (+12.2%), Phoenix Beverages Ltd (+10.2%) and Terra Mauricia Ltd (+5.4%). The top three losers were CIM Financial Services Ltd (-8.5%), United Docks Ltd (-8.0%) and Rogers & Co Ltd (-7.5%).

On the local fixed income front, there was no issuance of 91D Treasury Bills, 10Y, 15Y and 20Y GOM Bonds on the primary market during the month. The GoM issued MUR 1,800Mn worth of 364D Treasury Bills in three tranches of MUR 600Mn at weighted average yields of 2.63%, 2.72% and 2.91% respectively. Yields on 182D Treasury Bills fell by 38 basis points to 2.60% during the month following a net issuance of MUR 600Mn. The GoM issued MUR 3,600Mn worth of 3Y GOM Notes in two tranches of MUR 1,800Mn at weighted average yields of 3.60% and 3.56%, respectively. 5Y GOM Bonds stood at 3.92%, shedding 12 basis points compared to previous month reading for a net issuance of MUR 1,600Mn.

Global equities ended the month in positive territory following easing geopolitical tensions with developments on a potential US-China "Phase 1" trade deal. The announcement of a third rate cut by the Federal Reserve and better-than-expected corporate earnings largely contributed to investor optimism. The upbeat US jobs data and the surprise bounce in the manufacturing activity in China eased investors' concerns over a slowing global growth. The MSCI World Index posted a performance of 2.5% in USD terms while the Barclays Aggregate Bond Index registered USD returns of 0.7%.

In the US, the S&P 500 index gained 2.0% in USD terms, aided by rate cut and positive data. The Fed signaled that no further rate cut were expected unless the US economy took a turn for the worse. Economic data suggested that the US economy is losing momentum as manufacturing PMI rose modestly from 51.1 in September to 51.3 in October. Although US employers added 128,000 jobs in October, a slowdown in hiring was noted for 2019 compared to 2018, averaging just 167,000 jobs in 2019 compared to 223,000 last year.

European equities delivered positive returns with the EuroStoxx 50 adding 1.0% in EUR terms during the month. The manufacturing PMI improved marginally from a September reading of 45.7 to 45.9 in October with Germany being the principal source of weakness. The index, however, remained well below the 50-threshold, indicating sustained weakness in output and new orders. The DAX index posted EUR returns of 3.5% despite the lingering weakness in the German economy. The manufacturing sector remained in contraction zone although the PMI index rose from 41.7 to 42.1. In Italy, the FTSE MIB posted returns of 2.7% in EUR terms as the European Commission did not seek any changes in Italy's 2020 Budget plan following clarifications over its fiscal path. In UK, the pound sterling gained 5.3% during the month as the Prime Minister, Boris Johnson, was able to negotiate a new Brexit deal with the EU and an extension to the departure deadline to 31 January 2020. Equities struggled to make progress as the strong recovery in sterling weighed on internationally-exposed companies amidst mixed Q3 earnings. As a result, the FTSE 100 index returned -2.2% in GBP terms.

Japanese equities ended in positive territory with the Nikkei 225 returning 5.4% in JPY terms as investor sentiment improved over easing trade tensions. Japan's manufacturing sector, however, remained under pressure as deterioration in demand extended in October, leading to a fall in the manufacturing PMI from 48.9 in September to 48.4.

Emerging market equities outperformed developed markets with MSCI Emerging Index registering a positive USD return of 4.1% following an improvement in US-China trade sentiment, global monetary easing and a weak dollar. Shanghai Composite Index advanced by 0.8% in CNY terms. A slowdown in production and new orders led to a fall in manufacturing PMI to 49.3 in October against a preceding reading of 49.8. In India, the BSE Sensex gained 3.8% in INR terms amidst better-than-expected Q3 earnings, government announcement of measures to boost growth and positive flows of foreign institutional investments. The manufacturing PMI fell from 51.4 in September to 50.6 in October, the lowest since October 2017 as output and new orders expanded at the slowest rate over the last two years.

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